

DOCKETED

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Comment Received From: Tanya DeRivi
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SCPPA Comments on AB 1110 Draft Regulation

Please see attached comment letter.

Additional submitted attachment is included below.



March 20, 2018 | Submitted Electronically

California Energy Commission
1001 I Street
Sacramento, CA 95814

Re: SCPPA Comments on the Power Source Disclosure Pre-Rulemaking Draft (February 2019)

The Southern California Public Power Authority thanks the California Energy Commission for holding a pre-rulemaking workshop to discuss proposed updates to the Power Source Disclosure Regulations, per requirements outlined in Assembly Bill 1110 (2016). While the bill requires the disclosure of associated Greenhouse Gas emissions, the Power Content Label is also fundamentally intended to provide “accurate, reliable, and simple-to-understand information on the sources of energy that are used to provide electric services to California consumers”.¹ SCPPA respectfully requests further edits to the latest proposal regarding Publicly-Owned Utility (POU) auditing provisions, the timing of disclosure, and Power Content Label simplification, while retaining the removal of the sunseting “firmed-and-shaped” products provision.

SCPPA is a joint powers agency whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each Member owns and operates a publicly owned electric utility governed by a board of local officials. Our Members collectively serve nearly five million people throughout Southern California, offering electric services that meet or exceed the State’s ambitious energy and GHG emissions reduction goals.

POU Auditing Provisions

The “Accounting Methodology” described in Section 1393 (d)(1)(A) requires utilities to provide grandfathered contracts to the Energy Commission. [“The retail supplier shall furnish a purchase contract substantiating that a firmed-and-shaped product meets the requirement above for each annual filing claiming the GHG emissions exclusion.”] SCPPA believes that this is unnecessary as utilities will have already provided these contracts to the Energy Commission for the purposes of Renewables Portfolio Standard reporting. We further note that the grandfathered claim is also audited as part of that process.

The “Auditing and Verification” provision, described in Section 1394.2 (c), allows the Energy Commission to audit the audit. [“(c) The Energy Commission may on its own motion, or as a result of a request from a member of the public or other agency, investigate electricity transactions identified by a retail supplier to determine whether the transactions are traceable to specific generating facilities and whether they provide commercial verification that the electricity source claimed has been sold once and only once to retail consumers. In conducting its investigation, the Energy Commission may require the production of the service lists used to comply with the requirements of subdivision (b) of this section, as well as commercial documents, such as contracts, invoices, the verification procedures performed **pursuant to subdivision (b)** of this section, and attestations.” (emphasis added)] SCPPA believes that this too is unnecessary and may be overly burdensome for all parties involved.

¹ Public Utilities Code Section 398.1(b)

Timing of Disclosure

The “Retail Disclosure to Consumers” provision in Section 1394 (b)(2) requires utilities to annually disclose information required to customers and the Energy Commission by mail on or before August 30. SCPPA notes that, in recent prior years, the Energy Commission released the California grid average on July 3, 2018 and on July 14, 2017. It typically takes approximately two months for the Power Content Label to be approved by its governing board and finalized **before** it can be placed into a utility newsletter or mailer, printed for mailing to customers, posted on a utility website, and provided to the Energy Commission. For utilities that use a bi-monthly billing cycle, it would take approximately 60 days to reach all customers, which means the Energy Commission’s Power Content Label template would need to be released in **early** June; therefore, utilities may not be able to reach *all* customers as required “on or before August 30” if the Energy Commission releases the California grid average figure late in the reporting process. SCPPA urges the Energy Commission to consider and address this potentially problematic timing for implementation purposes.

Treatment of Firmed-and-Shaped Products

SCPPA would request that the Energy Commission consider further stakeholder input regarding the treatment of firmed-and-shaped products. The original intent of AB 1110 was not to change GHG emissions intensity based on facilities providing electricity to retail customers. Tracking delivery, as noted in previous conversations, is not necessarily feasible. As written, this provision does not align with California’s RPS Program, which only requires delivery to any California Balancing Authority to qualify as Power Content Category-1, rather than the balancing authority in which the entity is located.² As such, SCPPA is concerned that regulatory changes could adversely impact the RPS “bucket 2” market just as California’s utilities are required to accelerate development and deployment of RPS resources through 2030 per Senate Bill 100 (2017).

SCPPA supports the Energy Commission’s proposed elimination of the previously-proposed grandfathering provision of firmed-and-shaped imports for contracts executed prior to February 1, 2018; we appreciate the change in the draft regulation and urge its retention in the final rule.

Power Content Label Simplification

SCPPA appreciates efforts by the Energy Commission to simplify the Power Content Label templates.

SCPPA looks forward to working with Energy Commission staff further in this rulemaking.

Respectfully submitted,



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Director of Government Affairs



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² Cal. Pub. Util. Code 399.16(b)(1)(A).