

DOCKETED

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Please find comments attached.

Additional submitted attachment is included below.



March 20, 2019

Jordan Scavo
Renewable Energy Office
California Energy Commission
1516 Ninth Street, MS 45
Sacramento, CA 95814-5512

RE: DOCKET NO. 16-OIR-05 -- PRE-RULEMAKING AMENDMENTS TO THE POWER SOURCE DISCLOSURE (PSD) PROGRAM

3Degrees Group Inc. (“3Degrees”) appreciates this opportunity to provide feedback on the pre-rulemaking Power Source Disclosure Draft Regulation (“Draft Regulation”) put forward by California Energy Commission staff (“CEC Staff”) on February 20, 2019. 3Degrees works with a variety of customers in California and across the country--supporting corporate and institutional customers in renewable energy procurement and carbon reduction, as well as working with residential customers across the country through management and support of utility green pricing programs. Specifically, 3Degrees works closely with a number of California utilities on their green power offerings to residential and commercial customers.

3Degrees is supportive of California’s efforts to update customer disclosures of electricity offerings and appreciates the inclusive and comprehensive process CEC Staff has undertaken in implementing AB1110. In line with the stated goals of AB1110, we support a Power Source Disclosure (“PSD”) program that provides customers with accurate, reliable, consistent, and understandable information about the sources of energy and corresponding greenhouse gas (“GHG”) emissions associated with the electricity they receive¹.

Our comments focus on preventing double-counting of environmental attributes and ensuring that customers receive accurate and easy to understand information about their electricity purchases. In line with this focus, 3Degrees provides the following comments and recommendations:

1. 3Degrees is supportive of the provisions within the Draft Regulation that prevent double-counting of renewable energy and associated environmental attributes.

3Degrees appreciates the efforts by CEC Staff to prevent double counting in the PSD program. This includes the requirement that RECs must be procured by the retail supplier in order for renewable energy to be reported on the PCL, that null power be assigned the fuel type and

¹ See Public Utilities Code Section 398.1(a)-(b)

GHG emissions profile of unspecified power, and the requirement that private contracts be separately reported out to customers and not included in the default PCL. These provisions are integral to ensuring that double-counting does not occur.

2. The CEC should reconsider the proposed treatment of RPS-eligible unbundled RECs and align the restrictions on reported renewables with the preference of the RPS for in-state generation.

3Degrees recommends that the PSD program allow all RECs from in-state RPS-eligible renewable energy to be reported as zero emissions renewable energy. This revision would better meet the goal of aligning the GHG reporting with the Mandatory Reporting of Greenhouse Gas Emissions (“Mandatory Reporting Requirement” or “MRR”) by using the same boundary for GHG emissions accounting and better align the PSD program with other programs related to delivered electricity, including the RPS. When the RPS bucket system was introduced, the rationale outlined was explicit about encouraging in-state renewable energy development.

The October 2018 Assembly Bill 1110 Implementation Proposal made the case that the reason unbundled RECs should not be reported as zero emissions power is due to the fact that the PCL must match with CARB’s emissions inventory for the electricity sector in order to be simple-to-understand.² However, as currently proposed, the PSD program would underreport emissions since unbundled RECs associated with energy generated in or delivered into California would not be reported as zero emissions power. Any RECs associated with electricity delivered into California should be reported as zero emissions power and as the applicable renewable resource type.

The California Air Resources Board (CARB) has, through policy implementation, recognized unbundled in-state California RECs as an appropriate means of verifying zero-emissions electricity delivery. For example, the Low Carbon Fuel Standard (LCFS) allows RECs associated with in-state zero-emissions generation (connected to a California Balancing Authority) to be used to substantiate zero-emissions electricity used as a transportation fuel.³

3. In order to provide accurate information on the source of renewable energy and GHG intensity of products to customers and create a program that minimizes reporting burden and costs the PSD Program should not require that eligible renewables be CEC certified in order to be reported on the PCL.

As currently proposed, the PSD regulation requires that all renewables be CEC certified as RPS eligible in order to be reported on the PCL. This requirement will unnecessarily limit the renewable energy that can be reported to customers and lead to customer confusion.

The PSD program should provide customers with information on all electricity delivered to them, including renewable energy that is procured through the RPS or through non-RPS voluntary programs. While the renewable energy facilities used for voluntary programs is often “eligible” for the RPS (i.e. comes from facilities that could be CEC certified), it has not always gone

² October 9, 2018 AB 1110 Implementation Proposal for Power Source Disclosure, Third Version, p. 13.

³ See Low Carbon Fuel Standard, Title 17, California Code of Regulations, sections 95480-95503.

through the process of CEC certification. This is particularly important for supporting small-scale solar, where the reporting burden and costs are higher compared to the output of the facility. Between 2014 and 2018, 3Degrees enabled California customers to voluntarily support 180,000 MWh of solar energy from 166 California-sited small-scale solar projects through voluntary utility green pricing programs. Requiring CEC certification of these facilities will either (a) prevent customers from seeing the renewable energy they support within the PCL, or (b) discourage these utility green pricing programs from supporting California-sited small-scale solar projects.

The proposed regulation should be revised to allow alternative means of proving that facilities are RPS eligible. For instance, the CEC could allow a WREGIS ID to be used as an alternative to the RPS ID. The CEC could also allow other forms of evidence of resource type, such as proof from a California EDU of interconnection of the solar facility, as is allowed for reporting of renewable energy under CARB's Voluntary Renewable Electricity Program.⁴ Moving away from CEC certification would align with PUC section 398.5(d), which specifies that the PSD program rules should "minimize the reporting burden and cost of reporting that it imposes on retail suppliers."

4. In order to provide accurate information and prevent double counting, the PSD program must require that the non-power attributes of any zero emissions power (RPS eligible or not) be retained by the retail supplier.

The regulation makes no reference to the treatment of non-power attributes for zero-emitting non-RPS eligible renewables in order to claim the GHG emissions profile of the generator. In order to ensure no double-counting of non-power attributes (including GHG emissions) occurs across states and programs, the regulation must require that the non-power attributes of *any* zero emissions resource be retained by the retail supplier in order for zero emissions to be reported on the PCL. The PSD program must acknowledge that, across the WECC, RECs or non-power attributes exist within programs other than the California RPS. In order to ensure double counting does not occur across these programs, RECs or non-power attributes must be retired for all zero emissions resources, not just California RPS-eligible ones.

5. In order to align with the statute, retail suppliers must be allowed to provide additional information on the generation sources of unbundled RECs *within* the PCL itself. This should include the ability to expand the REC disclosure language that appears on the PCL.

PUC section 398.4(h)(7) specifically states that "a retail supplier may include additional information related to the sources of unbundled RECs." In order to align with this language, the regulation must not limit the ability of utilities to discuss the renewable and environmental attributes of unbundled RECs within the PCL. As written, the proposed regulation requires that suppliers use the CEC-provided PCL template, which only allows retail suppliers to report on the percentage of unbundled RECs provided to the customer and a standard footnote that describes unbundled RECs. To align with PUC section 398.4(h)(7), suppliers must be able to

⁴ See CARB's "Chapter 7: What is the process for retiring allowances from the voluntary renewable electricity reserve account?" available at: <https://www.arb.ca.gov/cc/capandtrade/guidance/chapter7.pdf>

provide additional information, within the PCL, including further information on the sources of unbundled RECs.

3Degrees appreciates this opportunity to provide feedback to CEC staff on the Draft Regulation. 3Degrees would be happy to discuss our recommendations in more detail or answer any questions. Please do not hesitate to reach out with any questions or comments.

Sincerely,

/s/ Maya Kelty

Maya Kelty

Senior Manager, Regulatory Affairs