

DOCKETED

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March 20, 2019

Jordan Scavo
California Energy Commission
Dockets Office, MS-4
Re: Docket No. 16-OIR-05
1516 Ninth Street
Sacramento CA, 95814-5512

Filed Electronically

RE: TID Comments on Staff Pre-Rulemaking Workshop on Updates to the Power Source Disclosure Regulations, issued February 20, 2019.

Dear Mr. Scavo,

Turlock Irrigation District (“TID”) submits the following comments and responses on the California Energy Commission’s (“CEC”) draft amendments to the Power Source Disclosure program (“PSD”) for implementing AB 1110. The regulations should be revised to enable load serving entities (“LSEs”) who own resources that are firm and shaped to continue to report those resources as “excluded GHG emissions” even if the underlying ownership agreements are extended. The CEC should also not adopt the “clean net-short calculator” for PSD reporting as some parties in this proceeding have suggested.

TID Background

TID was organized as the first Irrigation District in California on June 6, 1887 and is in its 131st year of operation. TID currently serves a retail electric customer base of just over 100,000 customers and provides irrigation water to over 5,800 growers and nearly 150,000 acres of farmland. Of the 11 communities that TID serves, 7 are classified as Disadvantaged Communities, and a majority of our service territory is in the top 20% of Cal EnviroScreen 3.0 impacted communities.

TID’s mission is to provide stable, reliable, and affordable water and power to its customer owners, be good stewards of our resources, and provide a high level of customer satisfaction.

TID is one of eight Balancing Authorities in California, tasked with balancing retail demand, generation, and wholesale purchases and sales while providing adequate reserve capacity to maintain reliability.

TID has a long history of environmental stewardship, beginning when the District was formed, as we acquired some of the oldest water rights on the Tuolumne River. TID has a great track

record of caring for natural resources. TID is the majority owner and project manager of the Don Pedro Dam and powerhouse, providing irrigation water and 203 MW or on average approximately 400,000 megawatt-hours of emissions free energy to our customers, while providing flood control and environmental benefits for the region.

TID has acquired the resources to meet the 33% by 2020 Renewable Portfolio Standard (RPS), having built the 136 MW Tuolumne Wind Project (TWP) in 2009 in advance of the RPS mandate on POU's, as well as recently completing a 20-year power purchase agreement for 54 MW of newly constructed in-state utility scale solar. TID's RPS obligation, due to these early and significant investments, is currently projected to be satisfied through 2024. TID is also making investments to ensure that it does its part to meet the State's long-term GHG targets. TID has a technological and geographically diverse portfolio of RPS eligible resources, including wind, small hydro, geothermal, solar, and biomass. TID remains committed to working towards the State's climate and clean energy goals while providing reliable, low cost electricity to our ratepayers.

DISCUSSION

1. The “Excluded GHG Emissions” Provisions Should Explicitly Recognize Ownership Arrangements.

TID owns the Tuolumne Wind Project. TID ratepayers have the obligation of paying off in excess of \$400 million of bonds issued to pay for the Project. The financing for this project extends well into the 2030's, and the project itself is projected to be in the TID portfolio until, at a minimum, 2029. For context, TWP delivers roughly 400,000 megawatt-hours (MWh) of renewable, carbon free generation to TID annually, and the Project represents approximately 25% of TID's retail load. TID acted in advance of state mandates to do so, and was very much an “Early Actor.” The RPS laws clearly recognize past investments, and has grandfathered language directing procurement to count in full against the requirements and obligations of the new law.¹ TWP is a fully grandfathered, PCC-0 resource.

TID appreciates the CEC's efforts to craft grandfathering language in the PSD program to account for resources like TWP. However, as currently drafted, the proposed revisions to Section 1393(d) would only apply to “firmed-and-shaped products under a contract executed prior to 2018 . . .” TID is deeply concerned that if this provision is not amended to account for ownership interests, then this provision will undermine the value of TID's investment in its owned resources.

The policy rationale for recognizing early procurement is to encourage long term, incremental procurement of renewable resources and the recognition of early investments by POUs before

¹ See Pub. Util. Code Sec. 399.16(d).

there was any requirement to make such investments. For these reasons, the CEC should make clear that the grandfathering language would apply to owned resources and that the owned resources would continue to receive grandfathered status so long as they are owned by the same LSE.

The grandfathering language in the RPS laws should serve as precedent. Specifically, California Public Utilities Code Section 399.16(d) provides that.

(d) Any contract or ownership agreement originally executed prior to June 1, 2010, shall count in full toward the procurement requirements established pursuant to this article, if all of the following conditions are met:

(1) The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.

(2) For an electrical corporation, the contract has been approved by the commission, even if that approval occurs after June 1, 2010.

(3) Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource. The duration of the contract may be extended if the original contract specified a procurement commitment of 15 or more years.

TID's recommendations for incorporating the precedent set by the RPS laws into the PSD program are set forth in Attachment A to these comments.

2. The Application of the Clean Net Short Calculator Will Confuse Electric Customers.

During this pre-rulemaking process, some parties have argued that the clean net short ("CNS") calculator should be applied to LSE's PSD reporting obligations. The CNS calculator seeks to match typical generation profiles of resources against assumed load profiles. This is very different from verified, contractual data that accounts for what customers actually bought and paid for. By not relying on contract data, the use of the CNS calculator in the PSD program would be contrary to statutory direction AB 1110 to account for contracted resources and would only serve to mislead customers. Applying the CNS calculator to actual historic data would also create a considerable administrative burden on LSEs. The contracted flows of power as proven by e-tags and meter data fully accounts for an LSE's contracted and owned resources. Reporting data based on in-state metered generation and e-tags for out of state resources is consistent with the California Air Resources Board's reporting practices under the MRR. By employing a



similar methodology in the PSD program, the CEC will minimize the administrative burden for LSEs, particularly small and medium sized-POUs. The CEC should not adopt the CNS calculator for the PSD program as suggested by some parties.

Conclusion

TID appreciates this opportunity to provide feedback on how the PSD program update can meet the goals of AB 1110 and ensure that customers receive accurate and easy to understand information concerning their investments in renewable resources, and the associated emissions intensity of the power that TID sources on their behalf. We look forward to working with CEC staff.

Sincerely,

/s/

Ken R. Nold
Turlock Irrigation District



ATTACHMENT A

TID Recommended changes to Sec. 1393(d)²:

Sec. 1393 Accounting Methodology

(d) Excluded GHG emissions

- (1) Retail suppliers with specified purchases of renewable firmed-and-shaped products under a contract or ownership agreement executed prior to February 1, 2018 shall report GHG emissions associated with the substitute electricity pursuant to Section 1393.
 - (A) When calculating the emissions intensity of an electricity portfolio that includes one or more firmed-and-shaped products purchased under a contract or ownership agreement executed prior to February 1, 2018, the reporting entity shall provide the emissions in the reporting forms and identify these emissions as excluded from the calculation of emissions intensity. The retail supplier shall furnish a purchase contract or ownership agreement substantiating that a firmed-and-shaped product meets the requirement above for each annual filing claiming the GHG emissions exclusion.
 - (B) Retail suppliers with specified purchases of firmed-and-shaped products under a contract executed on or after February 1, 2018 shall report GHG emissions according to the source of the delivered electricity pursuant to subdivision (c)(1).
 - (C) Any contract or ownership agreement amendments or modifications occurring after February 1, 2018 will continue to be excluded under this subsection so long as the amendment or modification does not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource. The duration of the contract or ownership agreement may be extended if the original contract specified a procurement commitment of 15 or more years.

² TN #: 227114, CEC pre-rulemaking draft of the proposed regulatory changes to the Power Source Disclosure Program.