

DOCKETED

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SCPPA Comments on the Power Source Disclosure Proposed Rulemaking Updates

Additional submitted attachment is included below.



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October 28, 2019 | Submitted Electronically

Mr. Jordan Scavo
Renewable Energy Division
California Energy Commission
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Re: SCPPA Comments on the Power Source Disclosure Proposed Rulemaking Updates

The Southern California Public Power Authority thanks the California Energy Commission for holding the October 7, 2019 Lead Commissioner briefing workshop to discuss proposed updates to the Power Source Disclosure Regulations, per requirements outlined in Assembly Bill 1110 (2016).

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 (POU) 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.

Potentially Problematic Timing of Customer Disclosure

Reiterating past comments, the "Retail Disclosure to Consumers" provision in §1394.1(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 CEC has released the California grid average on July 14, 2017, July 3, 2018, and this year on August 5. It typically takes two months for the Power Content Label to be approved by a POU local 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 CEC. For utilities that use a bi-monthly billing cycle, it would take approximately 60 days to reach all customers, which means the CEC'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 CEC releases the California grid average figure too late in the reporting process.

SCPPA urges the CEC to consider and address this potentially problematic timing for implementation purposes. Numerous POU participants statewide have expressed similar concerns. Even though the statute says to provide the disclosure to customers "on or before the end of the first complete billing cycle for the third quarter," it is recommended that the date be changed to October 31 to allow appropriate time between receiving the PCL template from the CEC and sending it out to customers. Selecting October 31 will enable utilities to inform customers of the PCL using the correct template, and avoid paying extra costs and requesting additional funding that was not originally budgeted for an expedited printing and mailing process required to meet the "on or before August 30" deadline.

Recommendation to Delay Reporting to 2020 Data

SCPPA also urges the CEC institute the new rules governing reporting *for 2020* procurement data, rather than for 2019. When AB 1110 was passed, the intent was to implement regulations adopted by January 2018, and subject procurement

data collected for *the following year* to the new regulation. Given that this regulation has been considerably delayed, and that POUs have collected the majority of 2019 procurement data using the existing regulation for guidance, it would make sense to have the new rules implemented to govern collection of 2020 data in order to allow for a “fresh start” to data collection with clear direction once the regulation has been finalized. This would allow for new templates to be finalized, and for POUs to understand exactly what is required for submission by the CEC using the new rules. Retroactively applying new rules to data collected under the current rules may result in unintended non-compliance issues.

Alternative Methodology for Calculating Percent of Total Retail Sales for Over-Resourced Retail Suppliers

SCPPA is concerned that the CEC’s proposed methodology for calculating the Power Content Label is fundamentally flawed in situations where gross megawatt-hours (MWhs) procured exceeds retail sales. For an over-procured retail supplier that has both coal and natural gas resources, its PCL will show a lower coal percentage and lower emissions intensity when it dispatches less natural gas and more coal. All resources, including unspecified electricity, must be equally reduced to give the clearest picture of where customer power is being procured in order to accurately represent the sources of electricity customers receive. It is recommended that the CEC change the PCL methodology to either: 1) reduce excess procurement to meet retail sales by applying the California Power Mix percentages for the corresponding year; or 2) reduce excess procurement to meet retail sales by applying the retail seller’s power mix percentages for the corresponding year. Adjusting all net MWh procured in a proportionally equal way to meet retail sales gives customers a clearer picture of what the retail seller is procuring to meet their demand, and the proper GHG Emissions Intensity for that electricity.

Unspecified Power Should Be Reported Based On Vendor Or Balancing Authority Settlement Data

The proposed methodology calculates the retail supplier’s Unspecified Power based on an equation as outlined in §1393.(a)(4). However, in practice, Unspecified Power, like Specified Purchases, is recorded based on settlement data from third party vendors or balancing authorities. Disregarding settlement MWhs for Unspecified Power would misrepresent the retail supplier’s true power portfolio mix. Therefore, Unspecified Power should be reported based upon vendor or Balancing Authority settlement data.

Conclusion

SCPPA looks forward to working with Energy Commission staff further in this rulemaking towards mutually agreeable solutions that best advance the State’s climate change goals in an affordable manner for California ratepayers.

Respectfully submitted,



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