

DOCKETED

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**Idaho Power Company Comments on Proposed Power Source Disclosure
Regulatory Changes**

Additional submitted attachment is included below.

October 28, 2019

California Energy Commission
Docket No. 16-OIR-05
1516 Ninth Street, MS-45
Sacramento, CA 95814

Re: Docket No. 16-OIR-05: Modification of Regulations Governing the Power Source Disclosure Program

Idaho Power Company (“Idaho Power”) appreciates the opportunity to submit these comments on the California Energy Commission’s proposed modifications to the existing regulations for the Power Source Disclosure program.¹ Idaho Power Company is not a retail supplier in California and is not directly subject to these regulations. However, Idaho Power supplies energy and GHG attributes for certain Portfolio Content Category (“PCC”) 2 firmed and shaped transactions and is a participant in the Energy Imbalance Market (“EIM”). Therefore, Idaho Power may be indirectly impacted by the proposed regulatory changes.

The proposed regulations in section 1393 would require firmed-and-shaped products to be reported as having the GHG emissions of the delivered (that is, substitute) energy (but as having the fuel type of the renewable generator.)² Counting firmed-and-shaped transactions as having the GHG emissions of the substitute energy is inconsistent with the California Air Resources Board’s treatment of such energy under the “RPS Adjustment” in the cap-and-trade program.³ When the requirements of the RPS Adjustment are met, then the emissions from applicable firmed-and-shaped products may be subtracted from the compliance obligation for the electricity importer.⁴ Thus, a particular firmed-and-shaped transaction may be considered as having zero emissions from the RPS Adjustment and cap-and-trade program perspective, while be considered as having the emissions of the substitute energy for purposes of the Power Source Disclosure program. This inconsistency could create additional costs in the market for firmed-and-shaped transactions (as well as confusion for consumers). It also essentially erases the emissions-free GHG attributes of the renewable resources. These problems could easily be avoided by treating the emissions associated with

¹ See, e.g., “Modification of Regulations Governing the Power Source Disclosure Program,” September 2019, available at https://ww2.energy.ca.gov/power_source_disclosure/16-OIR-05/ under the November 13, 2019 Commission Business Meeting at the link for “Express Terms” (“Proposed Regulations”).

² *Id.* section 1393(c) and (b)(1).

³ RPS Adjustment, 17 Cal. Code Reg. § 95852(b)(4).

⁴ 17 Cal. Code Reg. § 95852(b)(1), (b)(4).

firmed-and-shaped transactions as having the emissions of the renewable generator in the Power Source Disclosure program.

If the regulations are adopted as currently proposed, they would provide an exemption for existing firmed-and-shaped contracts—those under contract before January 1, 2019.⁵ While a grandfathering concept is helpful, the date of January 1, 2019 is not sufficient to guard against cost increases and modifications that may be required for existing contracts as a result of the proposed regulations. At a minimum, the grandfathering provision should apply to all contracts executed prior to the effective date of the regulations that are adopted. This would allow transacting parties to understand and adapt to the final adopted regulations and would minimize cost and contract changes that may be required by the language as currently proposed.

Idaho Power thanks the California Energy Commission for its consideration of these comments.

Sincerely,

 /s/_____

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⁵ Proposed Regulations at section 1393(d)(1).