

DOCKETED

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Comments from The City of Pasadena, Water and Power (PWP) Department on Assembly Bill (AB) 1110 Modification of Regulations

Pasadena Water and Power is pleased to submit comments on the AB 1110 Modification of Regulations

Additional submitted attachment is included below.

October 28, 2019

California Energy Commission (CEC)
Dockets Office, MS-4
RE: Docket No. 16-OIR-05
1516 Ninth Street
Sacramento, CA 95814

DOCKET# 16-OIR-05

Submission Type: efile

RE: Comments from The City of Pasadena, Water and Power (“PWP”) Department on Assembly Bill (“AB”) 1110 Modification of Regulations Governing the Power Source Disclosure (“PSD”) Program dated September 6, 2019

In response to the Modification of Regulations Governing the Power Source Disclosure Program AB 1110 dated September 6, 2019, and the October 7, 2019 Workshop on the Proposed Changes to the PSD, PWP respectfully submits the following comments for review and consideration. These comments supplement the comments submitted by PWP on February 22, 2018.

As stated in previous comments, over the years, many changes have been made to the PSD Program. PWP commends the California Energy Commission (“CEC”) for its efforts on AB 1110 compliance and the stakeholder process.

Categorization of Unbundled RECs

Unbundled Renewable Energy Credits (“RECs”) should continue to count as a renewable resource, with no GHG emissions factor. In the existing PSD forms, via Schedule 2, PWP reports the number of retired unbundled RECs as renewable resources in the PCL. PWP requests that the CEC consider allowing the inclusion of unbundled RECs in the calculation of the renewable procurement percentage, going forward. The exclusion of the unbundled RECs as a renewable resource, dramatically reduces our renewable percentage (by over ten percent) from 45% to 34.3%, as a result of this modification.

The proposed methodology also changes our unspecified electricity from 7% to 17%, by counting unbundled RECs towards “unspecified electricity.” Essentially, this new accounting methodology leads to a decrease in the percentage of renewable energy and an increase in unspecified power, which inaccurately increases the GHG emissions for an entity. This modification will lead to customer confusion, as it causes PWP’s renewable percentage to drop significantly. In addition, the exclusion of unbundled RECs is inconsistent with current Renewable Portfolio Standard (RPS) regulation which allows a percentage of our procurement (up to 10% percent) to be met with unbundled RECs. PWP implores the CEC to consider unbundled RECS to be counted as eligible renewable power. Since unbundled RECs are the least costly method to comply with the RPS, this may lead to detrimental rate impacts to ratepayers,

For a comparison on the changes of the PCL, as a result of these modification, the proposed PCL and the existing PCL for 2018 (using PWPs 2018 data set), is listed below.

2018 PWP PCL (Using the Modified Template)

DRAFT

	Adjusted Net Procured (MWh)	Percent of Total Retail Sales
Renewable Procurements	350,673	34.3%
Biomass & biowaste	129,460	12.7%
Geothermal	16,407	1.6%
Eligible hydroelectric	-	0.0%
Solar	104,592	10.2%
Wind	100,214	9.8%
Coal	341,671	33.4%
Large hydroelectric	32,887	3.2%
Natural gas	66,896	6.5%
Nuclear	57,005	5.6%
Other	-	0.0%
Unspecified Electricity	174,041	17.0%
Total	1,023,173	100.0%
Total Retail Sales (kWh)		1,023,173
GHG Emissions Intensity (converted to lbs CO2e/MWh)		732
Percentage of Retail Sales Covered by Retired Unbundled RECs		10.5%

2018 PWP PCL (Using Existing Template)

	Net Purchases (MWh)	Percent of Total Retail Sales (MWh)
Specific Purchases		
Renewable	458,152	45%
Biomass & Biowaste	129,460	13%
Geothermal	16,407	2%
Eligible Hydroelectric	61,562	6%
Solar	104,592	10%
Wind	146,131	14%
Coal	341,671	33%
Large Hydroelectric	32,887	3%
Natural Gas	66,896	7%
Nuclear	57,005	6%
Other	-	0%
Total Specific Purchases	956,611	93%
Unspecified Power (MWh)	66,563	7%
Total	1,023,173	100%
Total Retail Sales (MWh)	1,023,173	

October 28, 2019

Treatment of Unspecified Electricity

As currently proposed, the unbundled RECs are computed as unspecified electricity, therefore those entities that use unbundled RECs will see an increase in their unspecified electricity data. Unbundled RECs are from RPS eligible resources that are essentially procured through a separate contract or agreement from the underlying electricity. These RECs hold no GHG emissions. However, the proposed template assigns a GHG generator emission factor to these unbundled RECs of .428. This methodology inaccurately increases the GHG intensity for the PCL. As mentioned above, unbundled RECs are derived from renewable resources counting them as unspecified electricity inaccurately reflects the sources of the RECs. This accounting methodology unfairly punishes utilities that procure unbundled RECs, to assist with their RPS goals.

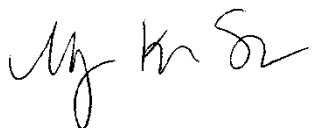
Timeline for Publishing PCL to Customers

The proposed timeline for publishing the PCL is unrealistic. PWP reconciles its settlements and RPS data by mid-summer. This leaves little time for auditing and verification of the data, to meet the new requirement of August 31st.

PWP proposes to keep the timeline as is. The existing timeline is sufficient as it allows enough to time to prepare the PCL template, to hire an auditor to verify the data, and to print and mail the PCL to our customers. In addition, our residential customers are on a bi-monthly billing schedule. Since they are only billed every two months, PWP needs more time to ensure that all PWP customers have received the published insert by the mandated timeline. We are respectfully requesting that the existing timeline be kept to allow us enough time to send the PCL out and to complete the necessary audit and verification process.

Should you have any questions, please contact me.

Respectfully Submitted,



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