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3Degrees Comments on Proposed Changes to the Express Terms For Modification

Please find 3Degrees Group Inc.'s comments attached.

Additional submitted attachment is included below.

3Degrees 407 Sansome St., 4th floor
San Francisco, CA 94111

December 10, 2019

Docket Unit
California Energy Commission
Docket No. 16-OIR-05
1516 Ninth Street, MS-4
Sacramento, CA 95814
Submitted via electronic submission

RE: 3DEGREES COMMENTS IN DOCKET NO. 16-OIR-05 -- PROPOSED CHANGES TO THE EXPRESS TERMS -- 15-DAY LANGUAGE MODIFICATION OF REGULATIONS GOVERNING THE POWER SOURCE DISCLOSURE PROGRAM

3Degrees Group Inc. ("3Degrees") appreciates this opportunity to provide feedback on the proposed changes to the Express Terms for Modification of Regulations Governing the Power Source Disclosure ("PSD") Program ("proposed revisions") put forward by the California Energy Commission ("CEC") on November 25, 2019.

Comments

1. **3Degrees is still concerned that the proposal introduces fundamental flaws to the information that customers receive regarding the electricity they consume, and will inevitably reduce customer choice.**

In line with our previous comments, 3Degrees recommends that changes be made to the proposed regulation in order to align reported electricity with California's Renewable Portfolio Standard ("RPS"). We also urge the CEC to provide a Final Statement of Reasons that provides an accurate explanation for why PSD program reporting is inconsistent with treatment of renewable electricity under the RPS. This explanation must not undermine RECs and risk disrupting renewable electricity markets. Instead, it should state that the boundary for what renewable energy can be reported in the PSD program, and on the Power Content Label ("PCL"), was chosen in order to more closely align with the boundary of what is reported under the MRR.

2. **3Degrees is supportive of several elements of the proposed revisions, including those that will increase the integrity of the information provided on the PCL by preventing double-counting.**

3Degrees is supportive of the following elements of the proposed revisions:

- Revision to Section 1393(a)(7) that prevents nuclear and hydroelectric generation from being reported as specified power if the associated environmental attributes have been claimed or traded to another entity.

- Revision to Section 1393(b)(1) that prevents the sale of RECs if specified renewable electricity has been claimed by the retail supplier.
- Revision to Section 1393(c)(1)(B) that prevents the sale of RECs if eligible renewable energy is claimed as specified zero-emissions power by the retail supplier.
- Revision to Section 1394(j) that provides a specific timeline for when additional information related to unbundled RECs must be submitted to CEC and when the CEC must provide a response.

3. 3Degrees requests that the CEC revise Footnote 1 on the PCL outlined in Section 1394(l)(1), which describes unbundled RECs.

3Degrees supports the revision to the footnote language describing RECs in Section 1394(l)(1) that removed the description of a REC as an "investment," however we oppose the description of unbundled RECs as "renewable generation that was not delivered to serve retail sales." The inclusion of this sentence provides confusing information to customers that is inconsistent with the definition of unbundled RECs in other California programs, like the RPS. In our previous comments, 3Degrees recommended significant changes to this footnote that would have provided an accurate description to customers of unbundled RECs and how they relate to California's other renewable electricity policies.[1] The additional sentence in the proposed revisions is unnecessary and provides confusing and incomplete information to customers.

To simplify the footnote and increase clarity, 3Degrees proposes the simplest solution is to remove this sentence entirely, as follows:

> *"Renewable energy credits (RECs) are tracking instruments issued for renewable generation. ~~Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales.~~ Unbundled RECs are not reflected in the power mix or GHG emissions intensities above."*

Retail suppliers who wish to provide further information to customers on the definition of unbundled RECs can pursue the avenue available to them through Section 1394(j).

3Degrees appreciates this opportunity to provide feedback to CEC staff on the proposed revisions. Please do not hesitate to reach out with any questions or comments.

Sincerely,

/s/ Maya Kelty
Maya Kelty
Director, Regulatory Affairs

[1] See p.3 of 3Degrees comments on the September 6, 2019 Express Terms and ISOR, submitted October 28, 2019.