

**DOCKETED**

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**SCPPA Comments on the Proposed Express Terms (15-Day Language) to the Power Source Disclosure Program Rulemaking Updates**

*Additional submitted attachment is included below.*



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December 10, 2019 | Submitted Electronically

Docket Unit  
California Energy Commission  
Docket No. 16-OIR-05  
1516 9<sup>th</sup> Street, MS-4  
Sacramento, CA 95814

**Re: SCPPA Comments on the Proposed Express Terms (15-Day Language) to the Power Source Disclosure Program Rulemaking Updates [Docket #16-OIR-05]**

The Southern California Public Power Authority thanks the California Energy Commission (CEC) for the opportunity to comment on the recent 15-Day Language regarding proposed updates to the Power Source Disclosure program regulations, per requirements outlined in Assembly Bill 1110 (2016). We appreciate that CEC staff has accepted some SCPPA feedback, and more broadly from publicly-owned utilities (POUs). However, we have a few remaining concerns.

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 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.

**Support for Decision to Delay Reporting to 2020 Data**

SCPPA appreciates that the CEC has accepted recommendations to delay the new rules governing reporting for 2020 procurement data, rather than for 2019. It makes 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 allows for new templates to be finalized, and for retail sellers to understand exactly what is required for submission by the CEC using the new rules.

**Support for Addressing Timing of Customer Disclosure**

SCPPA also appreciates that the CEC removed the "on or before August 30" deadline to annually disclose information required to customers and the CEC by mail; with this action reverting to §1394.1(b)(2) statute to provide the disclosure to customers "on or before the end of the first complete billing cycle for the third quarter" enabling room for a legislative amendment to AB 1110. This change addresses our previously held concern.

**Outstanding Concern Regarding Alternative Methodology for Calculating Percent of Total Retail Sales for Over-Resourced Retail Sellers**

SCPPA remains very concerned that the CEC's proposed methodology for calculating the Power Content Label (PCL) is fundamentally flawed in situations where gross megawatt-hours (MWhs) procured exceeds retail sales. In talking with CEC staff, we know that this methodology is complicated, and that there may not be an "ideal path forward" that satisfies all stakeholders.

SCPPA recommends that the CEC retain its current methodology instead of adopting the proposed methodology for calculating the Power Content Label. We believe that the current methodology more effectively maintains the accuracy of the PCL by calculating percentages that are closer to the actual percentages for retail sellers, whereas the proposed methodology reduces excess procurement from traditional resources in a sequential manner, resulting in outcomes and percentages that do not realistically represent the makeup of the retail seller's actual portfolio. The current methodology better represents the retail seller's actual power mix and associated GHG emissions, better evaluates traditional energy sources equally, and does not suffer the misplaced incentive to use less natural gas so coal can be reduced by the formula to show a cleaner overall portfolio.

However, if retaining the PCL current methodology is infeasible, SCPPA reiterates the recommendation that the CEC change the 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 would give customers a clearer picture of what the retail seller is procuring to meet their electricity demand, and would apply the proper GHG Emissions Intensity for that electricity. The CEC has put together a methodology which attempts to reflect actual energy intensity, and streamline many different information sources. Unfortunately, since this framework does not use equal reduction of emissions intensities, instead using order of merit, it may fail to accurately represent sources of electricity that ratepayers receive from over-resourced retail sellers, and misinform ratepayers of what their retail seller is doing to help achieve the state's clean energy goals; which directly stands in the way of what AB 1110 seeks to accomplish. The order of merit approach runs the risk of overshadowing the accomplishments over-resourced retail sellers have made in complying with the Renewables Portfolio Standard, by penalizing them for long term resource ownership of traditional power sources like coal and natural gas, maintaining grid reliability, and maintaining livable costs for ratepayers. For an over-resourced retail seller, 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; which fundamentally seems counterintuitive to what the power source disclosure program is trying to incentivize. For these reasons, we hope that the CEC will reconsider adopting the proposed methodology.

### **Outstanding Concern Regarding Unspecified Power Should Be Reported Based On Vendor Or Balancing Authority Settlement Data**

SCPPA also remains concerned about the current reporting requirements for unspecified power sources. Previously, SCPPA recommended that unspecified power should be reported based upon vendor or Balancing Authority settlement data. Disregarding settlement MWhs for unspecified power will misrepresent the retail seller's true power portfolio mix. In talking with CEC staff, there is a desire to maintain the formulaic approach that the methodology takes in order to avoid further complicating calculations. While we know there is the desire to match the equations within the methodology, this extra layer of data collection is important for accurately displaying retail suppliers' true power mix. Settlement data is available, directly calculated by a third party and should be used for the sake of consistency with how unspecified power sources are already determined by other California entities. Settlement data is periodically updated and verified by the California Independent Service Operator, and is used in the California Air Resources Board's Mandatory GHG Reporting Program for the purpose of identifying retail energy sources. We think the proposed methodology outlined in §1393.(a)(4) is unnecessarily reinventing an existing approach, and for these reasons hope that the CEC will reconsider using settlement data for reporting unspecified power.


### **Conclusion**

SCPPA hopes that CEC staff will consider these additional recommendations to the rulemaking, before bringing this rulemaking to its Commissioners for approval at the December 11 Business Meeting, in order to achieve 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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