

DOCKETED

Docket Number:	16-OIR-05
Project Title:	Power Source Disclosure - AB 1110 Implementation Rulemaking
TN #:	231272
Document Title:	Presentation - Modifications to the Power Source Disclosure Program
Description:	AB 1110 Slide Deck for 12-11-2019 Business Meeting - By Jordan Scavo
Filer:	Jordan Scavo
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	12/17/2019 1:57:59 PM
Docketed Date:	12/17/2019



Modifications to the Power Source Disclosure Program (Docket Number 16-OIR-05)

Jordan Scavo

December 11, 2019

Renewable Energy Division



Power Source Disclosure

- Established in 1998 to provide clear and accurate information about the sources of a consumer's electricity through an Annual Power Content Label

POWER CONTENT LABEL		
ENERGY RESOURCES	2014 POWER MIX	2014 CA POWER MIX**
Eligible Renewable	32%	20%
Biomass & waste	7%	3%
Geothermal	2%	4%
Small hydroelectric	4%	1%
Solar	12%	4%
Wind	7%	8%
Coal	10%	6%
Large Hydroelectric	8%	6%
Natural Gas	38%	45%
Nuclear	0%	9%
Other	0%	0%
Unspecified sources of power*	12%	14%
TOTAL	100%	100%

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.

** Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact: **Sample**
555-555-5555

For general information about the Power Content Label, consult: **California Energy Commission**
1-844-217-4925
<http://www.energy.ca.gov/pcl/>



Assembly Bill 1110 (Ting, Chapter 656, Statutes of 2016)

- Major Elements
 - Disclosure of the greenhouse gas (GHG) emissions intensity
 - Disclosure of unbundled renewable energy credits (RECs)
 - Requirement for consistent marketing claims regarding GHG emissions



AB 1110 Rulemaking Guidelines

- Provide reliable, accurate, and simple-to-understand information
- Ensure there is no double-counting
- Minimize the reporting burden
- Rely on the most recent verified GHG data
- Consult with Air Resources Board



Rulemaking History

- Pre-rulemaking activities (Jan 2017-Aug 2019)
 - 5 workshops
 - 3 staff white papers & draft regulatory language
- 45-day express terms (Sept 2019)
- 15-day express terms (Nov 2019)
 - Comment period ended Dec 10



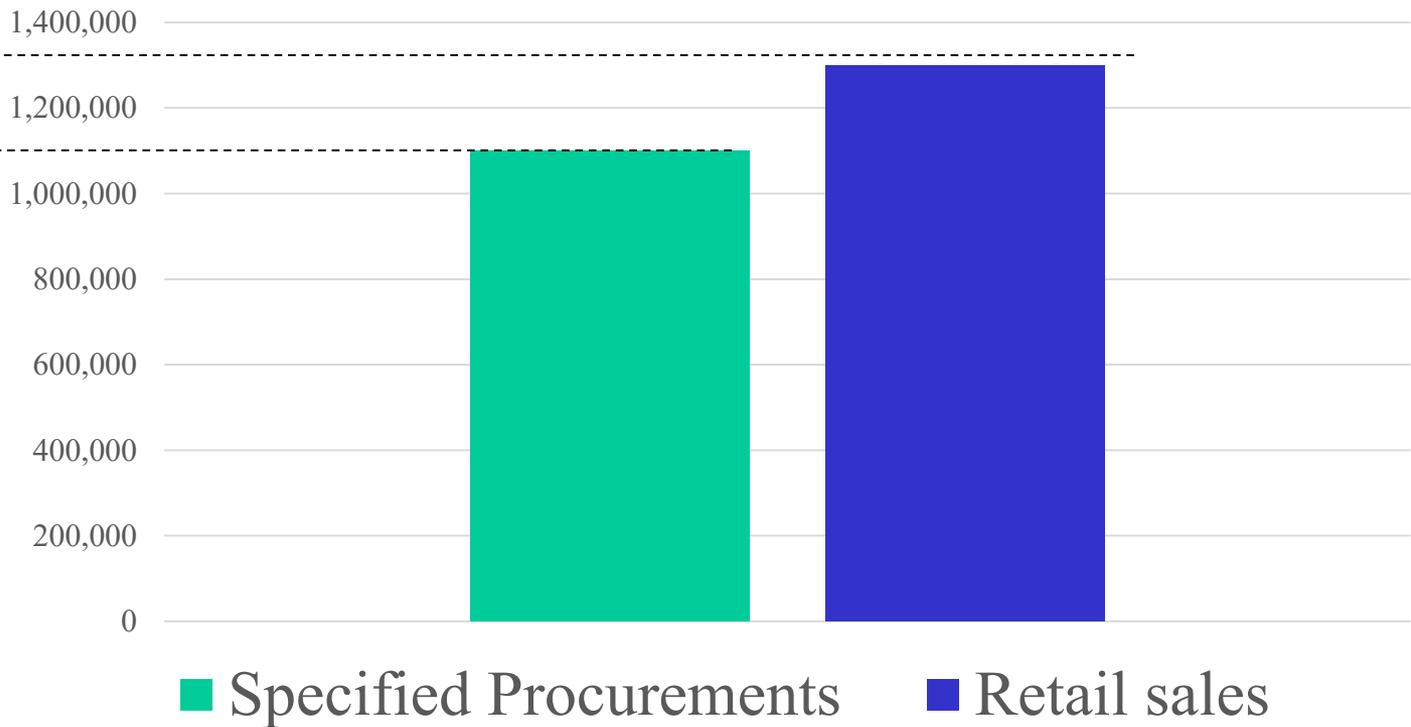
Proposed PSD Accounting Overview

Procurement Type	Fuel Mix Accounting	GHG Emissions Intensity Accounting
Directly delivered	Resource type of generator	Emissions intensity of generator
Firmed-and-shaped import	Resource type of REC	Emissions intensity of substitute power
Spot market purchases, including EIM	Unspecified power	Default emissions intensity of unspecified power
Unbundled RECs	Not included in fuel mix	Not included in GHG emissions intensity



Specified Procurement vs Retail Sales

Unspecified Power ↑





Overprocurement Adjustment Mechanism

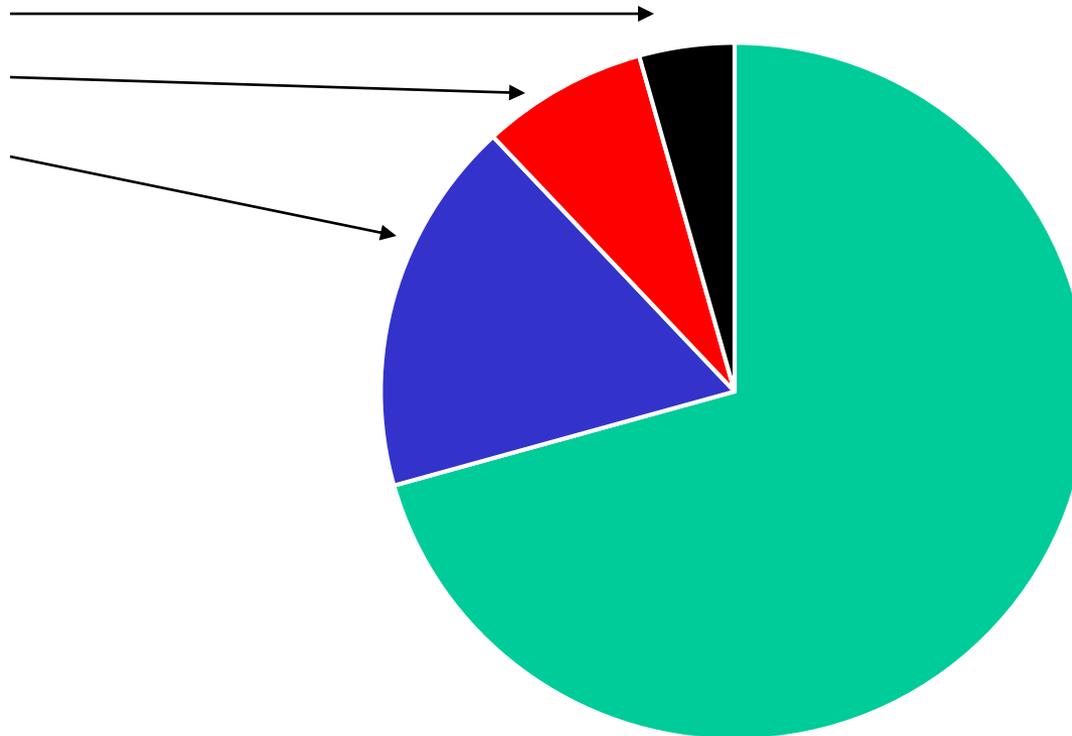
Reduction Order:

1. Natural Gas
2. Coal and Other Fuels
3. Nuclear, Large Hydro, & Renewables



Cost Allocation Mechanism (CAM) Resources

Attributed to
grid power



Attributed
to IOU

■ IOU ■ CCA 1 ■ CCA 2 ■ ESP



Additional Regulatory Provisions

- Grandfathering of pre-2019 firmed-and-shaped contracts
- Reporting deadline June 2021 for 2020 procurements

(ENTITY NAME & ELECTRICITY PORTFOLIO NAME)				
2019 POWER CONTENT LABEL				
Greenhouse Gas Emissions Intensity (in lbs CO ₂ e/MWh) ¹		Energy Resources	Fuel Mix	CA Total Mix
(Product Name)	CA Average	Eligible Renewables¹	36.0%	22.0%
701	672	Biomass & biowaste	6.1%	3.0%
		Geothermal	4.9%	4.0%
		Eligible small hydroelectric	0.0%	1.0%
		Solar	0.0%	6.0%
		Wind	25.0%	8.0%
		Coal	0.0%	6.0%
		Large Hydroelectric	6.0%	5.0%
		Natural Gas	40.3%	44.0%
		Nuclear	0.0%	9.0%
		Other	0.0%	0.0%
		Unspecified Power²	17.7%	14.0%
		TOTAL	100.0%	100.0%
<i>Unbundled RECs retired as a percentage of this electricity portfolio's retail sales:</i>			12%	
¹ Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable investments that do not deliver electricity to the retail supplier's customers. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above. The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.				
² Unspecified power is electricity that was purchased through open market transactions and is not traceable to a specific generation source.				
For specific information about this electricity portfolio, contact:		(Entity Name)	(Entity Phone Number) (Entity Website)	
For more information about the power content label, consult:		California Energy Commission	1-844-217-4925 www.energy.ca.gov/pcl/	



Alternatives Considered & Staff Responses

- REC-based accounting
 - Inconsistent with established State emissions accounting
 - RECs aren't appropriate emissions tracking tools
 - RPS Adjustment doesn't translate to this program
- Expanded grandfathering
 - Grandfathering meant to cover retrospective procurements, not prospective



Alternatives Considered & Staff Responses

- Hourly accounting
 - Lacks statutory authority
- Unspecified power
 - Hourly accounting of unspecified power is inconsistent with annual accounting of specified purchases



Alternatives Considered & Staff Responses

- Adjustment mechanism for procurement in excess of retail sales
 - Retail suppliers should be enabled to designate resources serving retail sales
 - Resources targeted for adjustment reflect emissions profile of unspecified power
- Cost Allocation Mechanism (CAM)
 - Investor-owned utilities (IOUs) holding CAM contracts will report their share; other retail suppliers will report CAM generation as unspecified power



Staff Conclusions

- Negative Declaration of environmental impacts
- Economic & fiscal impacts
- Proposed regulations
 - Accurate, reliable, simple-to-understand
 - Minimize reporting burden
 - Avoid double counting
 - Rely on most recent verified GHG data