

DOCKETED

| | |
|-------------------------|---|
| Docket Number: | 21-OIR-01 |
| Project Title: | Rulemaking to Amend Regulations Governing the Power Source Disclosure Program |
| TN #: | 249671 |
| Document Title: | Los Angeles DeLADWP Response to PSD Request for Information |
| Description: | N/A |
| Filer: | System |
| Organization: | Los Angeles Department of Water and Power |
| Submitter Role: | Public Agency |
| Submission Date: | 4/14/2023 8:58:35 AM |
| Docketed Date: | 4/14/2023 |

*Comment Received From: Los Angeles Department of Water and Power
Submitted On: 4/14/2023
Docket Number: 21-OIR-01*

LADWP Response to PSD Request for Information

Additional submitted attachment is included below.

**BEFORE THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA**

| | | |
|--|---|--|
| <i>In the matter of:</i> |) | Docket No. 21-OIR-01 |
| |) | |
| <i>Rulemaking to Amend Regulations Governing the Power Source Disclosure Program</i> |) | Request for Information Power Source Disclosure |
| |) | |
| |) | |

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE
CALIFORNIA ENERGY COMMISSION’S POWER SOURCE DISCLOSURE REQUEST FOR
INFORMATION (MARCH 22, 2023)**

The Los Angeles Department of Water and Power (“LADWP”) appreciates the opportunity to respond to the California Energy Commission’s (“CEC”) Power Source Disclosure (“PSD”) Request for Information (“RFI”) to implement new requirements added to the statute by Senate Bill (“SB”) 1158.

The City of Los Angeles (“City of LA”) is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. LADWP is a proprietary department of the City of LA, pursuant to the Los Angeles City Charter, whose governing structure includes a Mayor, a fifteen-member City Council, and a five-member Board of Water and Power Commissioners (“Board”). LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation’s largest municipal utility, serving a population of over four million people within a 478 square mile service territory that covers the City of LA and portions of the Owens Valley. LADWP exists to support the growth and vitality of the City of LA, its residents, businesses and the communities it serves, providing safe, reliable and cost-effective water and power in a customer-focused and environmentally responsible manner.

Provided below are LADWP’s general comments regarding CEC’s implementation of SB 1158 as well as LADWP’s responses to the RFI questions. LADWP requests that CEC address these comments and responses during the rulemaking process.

GENERAL COMMENTS

Administrative Burden and Timing

During the upcoming rulemaking process, LADWP requests that CEC consider the existing annual PSD reporting deadlines and implement rules that allow entities to have sufficient time to complete the new annual reporting requirements. The new requirements appear to significantly increase the administrative burden required to comply with annual PSD reporting regulations. To the extent possible, CEC should consider modifying the deadlines in the current PSD regulations to ensure entities have sufficient time to meet the existing and any new annual reporting requirements. LADWP suggests adjusting the deadline for the unaudited report and audited report to August 1 and December 1, respectively. LADWP also suggests that CEC provide the Annual Reporting Template by March 1 of each year.

Calculation Methodologies for “Loss-Adjusted Load” and “Avoided Greenhouse Gas Emissions”

LADWP requests that CEC work with stakeholders to develop calculation methodologies for determining “loss-adjusted load” and “avoided greenhouse gas emissions.”

For “loss-adjusted load” specifically, the definition provided within SB 1158 is unclear. For example, is “loss-adjusted load” equivalent to “net energy for load” (i.e. total energy needed to serve customer load, including transmission and distribution line losses)? Or, is “loss-adjusted load” value equivalent to the total retail load metered at customer facilities? In addition, it is unclear whether “loss-adjusted load” is intended to include unmetered consumption.

Greenhouse Gas (“GHG”) Emissions Reporting for Firmed-and-Shaped Generation

For the new hourly reporting requirements, LADWP requests that CEC treat firmed-and-shaped energy as renewable energy with a zero GHG emissions factor. LADWP also requests CEC to reconsider the current accounting methodology, which assigns GHG emissions to firmed-and-shaped energy based on the delivered energy. GHG emissions of firmed-and-shaped energy should instead be based on the emissions profile of the generation source, to reflect the fact that renewable electricity was generated and put into the electricity grid. Electricity produced by a renewable generating facility anywhere within the electrical grid decreases the overall GHG emissions of the grid. Firmed-and-shaped delivery is for transmission purposes and does not change the nature of the of the zero emission energy procured.

Messaging to the Public

Messaging to the public about electric utility GHG emissions is an important consideration in how CEC implements these new hourly GHG accounting requirements. The hourly accounting approach used in these new reporting requirements is different from the approach used in the existing Renewable Portfolio Standard (“RPS”) and Cap and Trade (“C&T”) programs. As a result, hourly accounting will likely produce different results. To the extent possible, LADWP requests

CEC implement these new reporting requirements such that they do not conflict with California's existing RPS and C&T programs. The results of this reporting should not create confusion for members of the public who want to utilize the reported data for their own analyses.

LADWP RESPONSES TO CEC'S RFI QUESTIONS

Questions for Electricity Sellers from Generation or Storage Facilities

- 1. Discuss the feasibility and financial impact of providing each purchaser from your generation facility with the purchaser's hourly share of electricity that is scheduled into a California balancing authority.**

LADWP seeks clarification on whether this proposed requirement for the seller applies only to sources located outside a California balancing authority.

- 2. Discuss the feasibility and financial impact of providing each purchaser with its hourly share of exported electricity from your energy storage facility and the hourly electricity consumed by your facility in prior hours necessary to export that electricity after taking into account round-trip storage losses.**

Meter data for the input and output of energy storage facilities may be available for round-trip efficiency calculations. However, determining the associated GHG emissions may be difficult if the energy storage facility can be charged using grid energy. Determining the specific upstream resource types and the specific energy contribution from each resource type would be a significant challenge. In addition, it can vary with the time of day and the generation resources and load within the vicinity of the energy storage facility. One potential solution would be to treat this energy as unspecified system energy. In this scenario, LADWP believes it would be necessary to update the GHG emission factor for unspecified energy to reflect the current fleet of generation resources in each region. The California Air Resources Board adopted the default GHG emission factors in 2010 based on data from 2006-2008. LADWP recommends unspecified system energy GHG emission factors be updated regularly.

In addition, LADWP requests CEC to clarify how to expect reporting entities to avoid "double counting" the energy from the upstream generation resources and the output of the energy storage facility.

Questions for Retail Electricity Suppliers

- 1. Discuss the feasibility and financial impact of obtaining hourly delivery data for each specified procurement for each hour of the year, organizing that hourly data into an Excel template provided by the CEC, and reporting that data to the CEC annually.**

Hourly delivery data based on E-Tags is readily available for electricity transfers between Balancing Authorities but not for transfers internal to a Balancing Authority or for EIM transfers.

LADWP requests CEC to clarify EIM transactions under these new reporting rules. Energy purchased from the EIM is delivered without E-Tags or information on the specific transmission pathway. Without such data, it is unclear how entities would feasibly calculate transmission and

distribution line losses without further assistance from the California Independent System Operator (“CAISO”). Entities may rely on CAISO to provide additional information to report loss-adjusted load for EIM transactions. A potential solution would be for CAISO to calculate an average GHG emission rate based on all resources dispatched to serve California load during each market interval across each hour and provide this data to reporting entities.

2. Discuss the feasibility and financial impact of obtaining and reporting hourly settlement data from your retailer’s balancing authority.

As its own balancing authority, LADWP requests additional context for this question and clarification on what “settlement data” specifically refers to.

General Questions

1. Under an hourly load matching framework, what should be the load order for determining which resources are matched to load first? In other words, which resource types should be deemed to be over procured/overdelivered during hours in which a retailer’s specified procurements exceed its hourly loss-adjusted load?

LADWP requests CEC to clarify the meaning of “an hourly load matching framework.”

Load order should be consistent with individual entities’ state and/or local clean energy goals. For LADWP, this means that the framework should match the zero GHG emitting resources to load first and match the highest GHG emitting resources to load last. The framework should match the load in the following order: eligible renewable, nuclear, and large hydroelectric. The framework should deem resource types would be deemed overprocured/overdelivered in the following order: coal, natural gas, nuclear, large hydroelectric, and eligible renewable. This resource sequence is also closely reflected in LADWP's economic dispatch to serve its load.

2. How will hourly load matching affect grid reliability in the state, particularly during emergency events?

Potential effects on grid reliability would depend on the availability of dispatchable generating resources to supply energy during the emergency to meet demand. Deploying these dispatchable resources, which tend to have higher GHG emissions than intermittent resources, is essential to supporting system reliability during emergencies. However, the need for hourly load matching combined with the desire to attribute low GHG emitting generation to customer load could disincentivize entities from supplying energy to another balancing authority during an emergency event. Other grid reliability concerns could arise if the need for hourly load matching necessitates changes to how entities procure and schedule renewable generation. CEC should ensure that the implemented rules do not negatively impact reliability for the sake of hourly GHG emissions reporting.

3. How should in-state and out-of-state line losses be calculated for determining loss-adjusted load?

This answer depends on the definition for loss-adjusted load (refer to general comments above on Calculation Methodologies for “Loss-Adjusted Load” and “Avoided Greenhouse Gas Emission”) and how it is calculated. Entities may require the specified transmission pathway and E-Tag data to feasibly calculate in-state and out-of-state line losses.

CONCLUSION

LADWP appreciates the opportunity to respond to this RFI and looks forward to working with CEC to help shape effective regulations that will benefit the health, safety, and security of all California residents. If you have any questions, please contact me at (213)367-2525 or Mr. Scott Hirashima at (213)367-0852.

Respectfully Submitted,

Simon Zewdu
Director of Power System Regulatory and Innovation Division
Los Angeles Department of Water and Power
111 North Hope Street, Room 819
Los Angeles, CA 90012
(213) 367-2525
Simon.Zewdu@ladwp.com