

**DOCKETED**

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**Liberty Utilities (CalPeco Electric) LLC Comments on 21-OIR-01 RFI  
Power Source Disclosure**

*Additional submitted attachment is included below.*

April 14, 2023

California Energy Commission  
Docket Unit, MS-4  
Re: Docket No. 21-OIR-01  
715 P Street  
Sacramento, CA 95814-5512

Re: Liberty Utilities (CalPeco Electric) LLC Comments on 21-OIR-01: RFI Power Source Disclosure

In response to the March 21, 2023 Request for Information (“RFI”) regarding the California Energy Commission’s (“Commission” or “CEC”) proposed modifications to the Power Source Disclosure program to implement Senate Bill (“SB”) 1158, Liberty Utilities (CalPeco Electric) LLC (“Liberty”) provides these comments addressing the feasibility of reporting hourly sources of electricity and associated greenhouse gas (“GHG”) emissions. As outlined in greater detail below, based on Liberty’s unique characteristics and location coupled with the burden of reporting hourly data, the Commission should exercise its statutory authority provided under Public Utilities Code Section 398.6(l) to ensure that Liberty is not required to provide its sources of electricity and GHG emissions on an hourly basis.

## **I. Unique Characteristics of Liberty**

Unlike most California load serving entities (“LSEs”), Liberty does not operate within the CAISO balancing authority area (“BAA”) but is located within the NV Energy BAA and has no connections to the CAISO. Liberty serves its customers from a combination of owned renewable resources (the Luning Solar Project (“Luning”) and the Turquoise Solar Project (“Turquoise”)) and an energy services agreement (“ESA”) with NV Energy. Under the ESA, NV Energy provides all energy needed to meet and match Liberty’s real-time load requirements that are not otherwise met by the Luning and Turquoise solar facilities. NV Energy is responsible for planning and meeting Liberty’s load while also addressing grid integration and reliability. However, NV Energy meets Liberty’s demand using primarily unspecified power from various generation facilities, and does not track or assign specific energy from specific facilities to meet Liberty’s load needs generally, let alone on an hourly basis.<sup>1</sup> Furthermore, as the operator of the BAA, NV Energy does not utilize e-Tags or specific transmission rights as part of its provision of energy to serve Liberty’s load within the BAA. With the exception of generation from the Luning and Turquoise projects, this makes it impossible for Liberty to obtain or report its sources of electricity and associated GHG emissions on an hourly basis.

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<sup>1</sup> Under the ESA, NV Energy is required to provide a certain amount of renewable generation which is tracked through the Western Renewable Energy Generation Information System (“WREGIS”) and is used by Liberty to help meet its renewables portfolio standard (“RPS”) procurement obligations.

## **II. The Legislature Acknowledged the Difficulty of Hourly Reporting and Authorized the Commission to Adjust Hourly Reporting Requirements for Small LSEs Like Liberty**

Early in the process of drafting SB 1158 the Legislature recognized the challenges and burdens associated with hourly reporting requirements. Bill analyses of SB 1158 describe “the complexity and prescriptive requirements of this bill” and note “that the reporting framework is overly complex.”<sup>2</sup> In recognition of the challenges and burdens associated with hourly reporting requirements, the Legislature included an alternative reporting option for small LSEs in SB 1158. According to the June 27, 2022 Assembly Committee on Natural Resources Analysis:

**[SB 1158’s] requirements are complex, and may be unwieldy to implement for small LSEs.** This bill recognizes the potential burden on small LSEs, not by exempting them, but by authorizing the CEC to modify or adjust the bill’s requirements for any electrical corporation with 60,000 or fewer customer accounts in the state or any retail seller with an annual electrical demand of less than 1,000 gigawatt-hours, if the CEC finds that the costs to comply with the requirements of this section unduly burden the electrical corporation or retail seller.<sup>3</sup>

The final version of SB 1158 incorporated explicit language providing for an alternative reporting option for small LSEs like Liberty. Public Utilities Code § 398.6(l) provides:

The Energy Commission may modify or adjust the requirements of this section for any electrical corporation with 60,000 or fewer customer accounts in the state or any retail supplier with an annual electrical demand of less than 1,000 gigawatthours, if the Energy Commission finds that the costs to comply with the requirements of this section unduly burden the electrical corporation or retail supplier.

## **III. Liberty Responses to Questions for Retail Electricity Suppliers – The Commission Should Modify Reporting Requirement so that Liberty is Not Required to Report Delivery Data on an Hourly Basis**

Liberty addresses the RFI’s questions for retail electricity suppliers below.

### **A. Discuss the feasibility and financial impact of obtaining hourly delivery data for each specified procurement for each hour of the year, organizing that**

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<sup>2</sup> Comment section of the May 23, 2022 Senate Floor Analysis, available at [https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=202120220SB1158#](https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220SB1158#).

<sup>3</sup> Comment 5 of the June 27, 2022 Assembly Committee on Natural Resources Analysis, emphasis in original, available at [https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=202120220SB1158#](https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202120220SB1158#).

**hourly data into an Excel template provided by the CEC, and reporting that data to the CEC annually.**

As outlined above, it is impossible for Liberty to obtain and report the unspecified procurement it receives under the ESA from NV Energy. Apart from limited renewable generation delivered under the ESA, Liberty does not have information regarding which specific generation facilities are used by NV Energy to serve Liberty under the ESA in general, and similarly lacks such delivery information on an hourly basis. While Liberty could compile and provide hourly delivery data from Luning and Turquoise, it would be burdensome to do so and it is unclear what benefit, if any, such reporting would provide.

The RFI states that “[i]n developing the rules and procedures required by SB 1158, the CEC will seek to minimize the reporting burden and the cost of reporting that it imposes on retail suppliers.”<sup>4</sup> To minimize burdens and costs for small LSEs like Liberty, the Commission should exercise its statutory authority under Public Utilities Code Section 398.6(l) and not require Liberty to report specified procurement on an hourly basis. This outcome is consistent with the Legislature’s intent and the clear language included in SB 1158. Furthermore, this will minimize costs for Liberty’s limited number of customers and avoid complications associated with the unspecified nature of deliveries from NV Energy under the ESA.

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

As outlined above, while NV Energy supplies the bulk of Liberty’s energy needs, that energy is not tied to any specific generation facilities (with the exception of small renewable portions provided under the ESA). NV Energy, as the operator of the NV Energy BAA, meets overall system needs of the BAA, including meeting Liberty’s load, but does not have settlement data, e-Tags, or transmission right information that can provide hourly delivery data from generation facilities to Liberty’s service territory. This is because Liberty’s generation (Luning and Turquoise) as well as Liberty’s retail customer load is included inside NV Energy’s “NorthSys” node and no scheduled transmission path exists between NV Energy’s northern system and Liberty.

**IV. Liberty Response to General Questions**

The RFI includes general questions about hourly load matching and line losses. Given the unique characteristics of Liberty and the explicit statutory authority under Public Utilities Code Section 398.6(l), the Commission should modify reporting requirements for small LSEs like Liberty to avoid any reporting on an hourly-basis. Accordingly, Liberty believes it is premature to address the questions regarding hourly load matching at this time.

With respect to the line loss question, the RFI asks “[h]ow should in-state and out-of-state line losses be calculated for determining loss-adjusted load?”<sup>5</sup> Public Utilities Code Section 398.6(a)(4) provides that “‘Loss-adjusted load’ means the total amount of electricity,

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<sup>4</sup> RFI, p. 2.

<sup>5</sup> RFI, p. 3.

measured at the utility-scale generation source, that a retail supplier requires in order to provide for retail sales after electrical losses in transmission and distribution.” Importantly, the statutory definition does not differentiate between in-state and out-of-state line losses. Given that out-of-state line losses are still included in California Air Resources Board GHG compliance obligations, line losses should be calculated using standard practices based on transmission and distribution constraints. Since the majority of Liberty’s procurement is unspecified and none of Liberty’s energy deliveries are scheduled across an established transmission path, it would not be feasible to calculate the hourly losses attributed to generation. Liberty should maintain the average annual loss methodology currently used to calculate losses between generation and load in accordance with the code.

**V. Conclusion**

The Commission should modify reporting requirements for Liberty so that Liberty is not obligated to report its sources of electricity and associated GHG emissions on an hourly basis for two primary reasons. First, because Liberty operates in the NV Energy BAA and receives the bulk of its energy from NV Energy, apart from information from its Luning and Turquoise solar facilities, Liberty cannot obtain specific information regarding its electricity sources, either hourly or otherwise. Secondly, based on the explicit statutory authority provided under Public Utilities Code Section 398.6(1) and the desire to minimize reporting burdens and costs, hourly reporting should not be required so reporting is simpler and less expensive for Liberty’s limited number of customers.

Liberty appreciates this opportunity to provide comments on the RFI and looks forward to working with the Commission to implement SB 1158 and further refine the Power Source Disclosure program.

Respectfully submitted,

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