DOCKETED	
Docket Number:	21-OIR-01
Project Title:	Rulemaking to Amend Regulations Governing the Power Source Disclosure Program
TN #:	252714
Document Title:	Liberty Utilities (CalPeco Electric) LLC Comments on Proposed Updates to Power Source Disclosure Regulations
Description:	N/A
Filer:	System
Organization:	Downey Brand/Jerediah Gibson
Submitter Role:	Public
Submission Date:	10/24/2023 3:59:03 PM
Docketed Date:	10/24/2023

Comment Received From: Jedediah Gibson - Dowey Brand
Submitted On: 10/24/2023
Docket Number: 21-OIR-01

Liberty Utilities (CalPeco Electric) LLC Comments on 21-OIR-01 Proposed Updates to Power Source Disclosure Regulations

Additional submitted attachment is included below.

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October 24, 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: Proposed Updates to Power Source Disclosure Regulations

In response to the California Energy Commission's ("Commission" or "CEC") Proposed Updates to Power Source Disclosure Regulations, Liberty Utilities (CalPeco Electric) LLC ("Liberty") provides these comments addressing the feasibility of reporting hourly sources of electricity and associated greenhouse gas ("GHG") emissions for Liberty. As discussed below, based on Liberty's unique characteristics and location and to minimize burdens for Liberty and its limited number of customers, 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. Liberty is Unique Among California's Load Serving Entities.

Liberty is unique among California load serving entities ("LSEs") because it does not operate within the California Independent Systems Operator ("CAISO") balancing authority area ("BAA") and has no connections to the CAISO. Liberty is located within the NV Energy BAA and 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 with NV Energy, NV Energy provides all energy needed to meet and match Liberty's real-time load requirements that Luning and Turquoise do not otherwise meet. While the ESA requires NV Energy to provide a certain amount of renewable generation,[1] NV Energy primarily uses unspecified power from various generation facilities to meet Liberty's load requirements. NV Energy also addresses grid integration and reliability. In its role as operator of the BAA, NV Energy does not use E-Tags, settlement data, or specific transmission rights as part of its provision of energy to serve Liberty's load within the BAA. NV Energy does not track or assign specific energy from particular facilities to meet Liberty's load needs on a general basis, much less on an hourly basis. As such, Liberty cannot obtain or report its sources

[1] This amount of renewable generation 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.

of electricity and associated GHG emissions on an hourly basis outside of its Luning and Turquoise projects.

II. The Proposed Accommodation to Estimate Unavailable Hourly Data Will Not Make Gathering Hourly Data Easier for Liberty.

Liberty appreciates the CEC's acknowledgment of concerns regarding the difficulty of obtaining hourly data that were raised in response to the March 21, 2023 Request for Information. Specifically, Section 1393.2(c)(1) of the Pre-Rulemaking Amendments to the Power Source Disclosure Regulations provides that for retail suppliers that "cannot obtain hourly data for a specified resource, the retail supplier shall report estimated hourly data using annual procurement data and the default hourly distribution for the relevant fuel type." However, the proposed accommodations to the PSD program do not fully address Liberty's concerns regarding the infeasibility of reporting requirements.

As discussed previously, most of Liberty's energy is sourced from NV Energy—an entity that uses primarily unspecified power from various generation facilities and does not track or assign specific energy from specific facilities to meet Liberty's load. It is impossible for Liberty to determine how much of NV Energy's supply comes from different generating facilities. This is similarly true for renewable facilities. While Liberty can use WREGIS data to determine volumes delivered from RPS-eligible sources under the ESA, it lacks hourly data for such deliveries and cannot report such information on an hourly basis.

Furthermore, the accommodations recommended by Commission staff do not alleviate the burden of gathering hourly data reporting for the Liberty-owned solar power sources—Luning and Turquoise. The California Public Utilities Commission's Clean System Power ("CSP") Calculator does not measure the production of solar resources. Using CAISO's hourly supply data for solar energy would be equally unhelpful given Liberty's location outside of the CAISO. Without either tool at Liberty's disposal, Liberty would have to create its own tool to navigate the complexities of compiling hourly delivery data from Luning and Turquoise. Not only will this be burdensome, but it is also unclear what benefit, if any, such reporting would provide for Liberty's customers.

Liberty urges the Commission to consider implementing exceptions to the hourly reporting requirements for small LSEs as authorized by Public Utilities Code Section 398.6(l) given the issues left unresolved by the proposed updates to the Power Source Disclosure Regulations.

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

Early in drafting Senate Bill ("SB") 1158, the Legislature identified the burdens hourly reporting requirements would pose. Bill analyses of SB 1158 describe "the complexity and prescriptive requirements of this bill" and note "that the reporting framework is overly complex."[2] Seeking to lessen the burden hourly reporting requirements would have, the Legislature added an alternative reporting option for small LSEs in SB 1158. The June 27, 2022 Assembly Committee on Natural Resources Analysis provided the following:

> **[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.[3]

The final version of SB 1158 incorporated explicit language providing 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.

IV. The Commission Should Modify Reporting Requirement so that Liberty is Not Required to Report Delivery Data on an Hourly Basis.

The Commission should exempt small LSEs like Liberty from an hourly reporting requirement pursuant to Public Utilities Code § 398.6(l). 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.

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

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

[3] 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#.

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.

V. The Commission Should Not Modify Loss-Adjusted Load Accounting for Liberty.

Liberty appreciates the Commission's efforts to solicit feedback on how to calculate loss-adjusted load. However, the methodology proposed in the Pre-Rulemaking Amendments to the Power Source Disclosure Regulation conflicts with standard practices of transmission in the Public Utilities Code and will be burdensome on smaller LSEs like Liberty.

The proposed method for calculating loss-adjusted load assigns a 4% loss factor for all specified resources within California and an additional 2 % adjustment factor for specified imports. By contrast, Public Utilities Code Section 398.6(a)(4)'s definition of "loss-adjusted load" does not differentiate between in-state and out-of-state losses. Given that the California Air Resources Board GHG compliance obligations already include out-of-state losses, the proposed method does not track best practices of transmission nor is it necessary to reflect systemwide distribution losses. This is particularly true given Liberty's location within the NV Energy BAA and the comparatively shorter transmission and distribution distances for Liberty's procurement from out-state-resources compared to other California LSEs.

Furthermore, the proposed loss-adjusted load calculation from unspecified and oversupplied sources poses significant problems. It would be impossible for Liberty to create an hourly profile of its unspecified sources of electricity and associated GHG emissions outside of its Luning and Turquoise projects. Creating an hourly profile based on Liberty's two owned solar sources would be challenging and would not properly reflect Liberty's losses between generation and load.

Liberty already maintains, and should be allowed to continue to maintain, an average annual loss methodology to calculate losses between generation and load. Not only does this align with relevant provisions of the Public Utilities Code, it is also a reliable way to track systemwide distribution losses without unreasonably burdening Liberty and its limited number of customers.

VI. If Small LSEs like Liberty are Required to Provide Hourly Reporting, Simplified Reporting Requirements should be Adopted to Minimize Hourly Reporting Burdens and Corresponding Costs for Customers.

At the September 26, 2023 workshop, staff stated that small LSEs like Liberty could provide alternative recommendations for an hourly reporting process for small LSEs. Consistent with its positions taken in this proceeding and for the reasons outlined above, Liberty maintains that the Commission should exercise its statutory authority to exempt Liberty from any hourly reporting requirements under the Power Source Disclosure program to avoid disproportionately burdening Liberty and its limited number of customers. If, however, the Commission determines not to exercise its explicit statutory authority provided under Public Utilities Code Section 398.6(l) and instead requires that all LSEs report on an hourly basis, regardless of size, then

Liberty recommends that any such hourly reporting requirements for small LSEs should be simplified and less burdensome. Additionally, to help develop any such requirements, Liberty recommends that the Commission convene a separate workshop to solicit additional information from small LSEs as to how best such reporting requirements could function. At this time, Liberty does not have any specific recommendations for an alternative hourly reporting methodology, but believes that a workshop providing for additional input and discussion could be helpful to best develop a simplified process for small LSEs while also accounting for unique characteristics of different small LSEs. Any alternative hourly reporting requirements, however, are likely to be overly challenging and burdensome for Liberty given its unique location and the fact that it receives the bulk of its energy delivery from NV Energy. Therefore, Liberty reiterates that the Commission should exempt Liberty and other small LSEs from hourly reporting altogether.

VII. Conclusion

The Commission should modify reporting requirements and exempt Liberty from reporting its sources of electricity and associated GHG emissions on an hourly basis for two primary reasons. First, Liberty cannot obtain specific information regarding its electricity sources on an hourly basis apart from its Luning and Turquoise solar facilities because Liberty operates in the NV Energy BAA and receives the bulk of its energy from NV Energy. Second, because the Commission has explicit statutory authority provided under Public Utilities Code Section 398.6(l) to minimize reporting burdens and costs, hourly reporting should not be required. In addition, the Commission should conform its calculation of loss-adjusted load to align with best practices of the Public Utilities Code and to prevent burdening smaller LSEs.

Liberty appreciates the opportunity to provide comments on the proposed updates to the Power Source Disclosure program and looks forward to working with the Commission to implement SB 1158.

Respectfully submitted,

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