

DOCKETED	
Docket Number:	21-OIR-01
Project Title:	Rulemaking to Amend Regulations Governing the Power Source Disclosure Program
TN #:	252716
Document Title:	LADWP Comments - on Pre-rulemaking Workshop on Updates to the Power Source Disclosure Regulations
Description:	N/A
Filer:	System
Organization:	LADWP
Submitter Role:	Public Agency
Submission Date:	10/24/2023 3:55:57 PM
Docketed Date:	10/24/2023

*Comment Received From: LADWP
Submitted On: 10/24/2023
Docket Number: 21-OIR-01*

Comments on Pre-rulemaking Workshop on Updates to the Power Source Disclosure Regulations

Additional submitted attachment is included below.

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

In the matter of:)	Docket No. 21-OIR-01
)	
Rulemaking to Amend Regulations)	RE: Pre-Rulemaking Workshop on
Governing the Power Source Disclosure)	Updates to the Power Source Disclosure
Program)	Regulations
_____)	

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE CALIFORNIA
ENERGY COMMISSION REGARDING THE PRE-RULEMAKING WORKSHOP ON UPDATES TO THE
POWER SOURCE DISCLOSURE REGULATIONS**

Dated: 10/24/2023

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INTRODUCTION

The Los Angeles Department of Water and Power (“LADWP”) appreciates the opportunity to provide comments to the California Energy Commission (“Commission”) regarding the Pre-Rulemaking Workshop on Updates to the Power Source Disclosure (“PSD”) Regulations held on September 26, 2023.

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. 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 supports the growth and vitality of the City of LA, its residents, businesses, and the communities we serve, providing safe, reliable, and cost-effective water and power in a customer-focused and environmentally responsible manner.

SPECIFIC COMMENTS

1. The revised Power Content Label (“PCL”) should not include “Energy Resources” percentages for “Retail Supplier Total Power”.

LADWP is concerned that the addition of “Energy Resources” percentages to the PCL for “Retail Supplier Total Power” will lead to confusion. To ensure that the PCL remains simple and easy to understand, LADWP requests that the “Retail Supplier Total Power” portion of the revised PCL only show the Greenhouse Gas (“GHG”) Emissions Intensity without the “Energy Resources” percentages. LADWP is concerned that “Energy Resources” percentages based on loss-adjusted load would significantly differ from “Energy Resources” percentages based on retail sales, thereby creating confusion for customers who utilize PCL data for various purposes. Furthermore, including “Energy Resource” percentages based on loss-adjusted load on the PCL may exceed the scope of Senate Bill (“SB”) 1158 (2022) which requires a summary of each retail supplier’s data be published on the Commission’s website, not on the PCL.

2. LADWP proposes alternatives to the currently proposed hourly retail sales reporting requirements.

Commission Staff have proposed that retail suppliers should be required to report the hourly data specified in Section 1393.2 (b)(1) of the *Pre-Rulemaking Amendments to the Power Source Disclosure Program* (“Pre-Rulemaking Amendments”) to determine loss-adjusted load using the Commission’s proposed methodology. LADWP is concerned about the feasibility of reporting hourly retail sales data and notes that SB 1158 requires reporting hourly loss-adjusted load, not hourly retail sales data. LADWP is deploying Advanced Metering Infrastructure, which includes infrastructure upgrades and system integrations to allow LADWP to report hourly retail sales. However, LADWP’s ability to report this data will depend on replacing roughly 1.6 million power meters throughout the LADWP service territory. As a result, LADWP is concerned about the implementation challenges associated with reporting hourly retail sales data by January 1, 2028. In light of these concerns, LADWP requests that the Commission consider implementing one or more alternate methodologies for reporting loss-adjusted load that do not require retail suppliers to collect hourly retail sales data. These alternate methodologies would provide options for retail suppliers to satisfy the reporting requirements.

LADWP’s preferred alternate methodology would be to allow retail suppliers to report hourly retail sales data that is extrapolated from existing data sources such as monthly total sales to ultimate customers (“TSUC”) and net energy for load (“NEL”). Retail suppliers could use this existing data to shape its load profile and generate estimates of its load on an hourly basis. Specifically, LADWP believes that using its NEL to shape its customers’ monthly consumption derived from TSUC would yield the most accurate, replicable, and verifiable estimate. This approach would allow entities that do not currently have the metering infrastructure and data management systems in place to collect and aggregate hourly retail

sales data without performing costly infrastructure upgrades, to satisfy the proposed reporting requirements. In addition, this approach would utilize data that retail suppliers already have readily available.

Should the Commission choose to not allow the reporting of extrapolated hourly retail sales data, another alternative would be to implement a top-down approach to calculate loss-adjusted load rather than the bottom-up approach using the hourly data specified in Section 1393.2 (b)(1), most of which involves some degree of estimation. Loss-adjusted load could be calculated by subtracting energy deliveries from and adding energy receipts to generation on an hourly basis. The remainder is loss-adjusted load, which includes end-use retail customer consumption, self-consumption, unmetered consumption, and transmission and distribution losses. This alternative approach greatly simplifies the overall process by eliminating the need to estimate the total hourly load, which includes unmetered consumption for street lighting, outdoor area lighting, traffic control signals, billboards, and transmission and distribution losses. Lastly, this alternative approach reduces the potential for error by reducing the number of data points retail suppliers would have to enter into the reporting form. Should the Commission implement this alternative methodology, LADWP requests that the *Hourly Reporting Template* be revised accordingly.

Lastly, LADWP's third alternative is to allow entities concerned with not having adequate hourly data by the January 1, 2028, deadline to report loss-adjusted load using a methodology appropriate for their situation. The Commission may evaluate these methodologies on a case-by-case basis for entities that demonstrate that they would not be ready to report hourly data by the January 1, 2028, effective date.

3. LADWP requests that the Commission consider delaying the effective date of SB 1158 reporting requirements for retail suppliers.

If the Commission determines that it is infeasible or unreasonably costly for retail suppliers to obtain the necessary data or develop the necessary reporting tools by January 1, 2028, SB 1158 grants the Commission the discretion to delay when retail suppliers must begin complying with the new reporting requirements. LADWP is concerned with the feasibility of reporting this data beginning January 1, 2028. Should the Commission implement amended PSD regulations that require retail sellers to report hourly retail sales, LADWP requests that the Commission delay the effective date of the new reporting requirements for retail suppliers. LADWP further requests that the Commission determine this new effective date in collaboration with LADWP and other similarly impacted entities.

4. LADWP proposes that the PCL continue to use annual retail sales reported by the retail supplier to calculate Eligible Renewable percentages for Electricity Portfolios.

In the revised PCL proposed by Commission Staff, LADWP understands that retail sales are the denominator for calculating the "Eligible Renewable" percentages for each Electricity Portfolio. LADWP proposes that the Commission continue using annual retail sales rather

than aggregating hourly retail sales data to calculate the percentages to align with the “Eligible Renewable” percentage calculation methodology used in the Renewables Portfolio Standards Program.

LADWP further proposes that the “Energy Resources” percentages for Electricity Portfolios (which are based on annual retail sales) and the GHG Intensity for “Retail Supplier Total Power” (which are based on hourly data) be treated as two separate calculations using separate worksheets. Retail suppliers could report the Electricity Portfolios using the existing worksheet, and the Commission could create a new worksheet to report the loss-adjusted load data to calculate the GHG intensity for “Retail Supplier Total Power” based on the new SB 1158 requirements.

5. LADWP concurs with the California Municipal Utilities Association’s (“CMUA’s”) comments regarding implementing hourly accounting rules.

LADWP agrees with CMUA that Commission Staff’s proposal does not appropriately allocate GHG emissions among the retail suppliers. LADWP supports CMUA’s recommendation for retail suppliers to only be allocated GHG emissions for specified purchases that are matched to the retail supplier’s load in that hour in accordance with the stacking order determined by the retail supplier. LADWP requests that Commission Staff continue to work with retail suppliers to ensure that GHG emissions are not double-counted under the amended PSD regulations.

6. The amended PSD regulations should specify that the new reporting requirements for retail sellers are not effective until January 1, 2028 (or later).

SB 1158 specifies that retail suppliers are subject to its reporting requirements beginning either on January 1, 2028,¹ or on a later date determined by the Commission.² However, this future effective date is not stated in the Pre-Rulemaking Amendments. For clarity, LADWP requests that the amended regulations specify the date the Commission intends for the new SB 1158 reporting requirements to be effective for retail suppliers.

7. Feedback on the proposed Hourly Reporting Draft Template.

LADWP appreciates that Commission Staff have released a draft template for reporting entities to review. As Commission Staff continue to develop this template, additional review and testing will be necessary to ensure that it is ready prior to the effective date of the SB 1158 reporting regulations for retail sellers. LADWP’s initial feedback on the Commission’s draft template posted to Docket No. 21-OIR-01 on September 20, 2023, is the following:

- The formula for “Total Net Procurement” (column K) includes subtracting “Generic Resales” (column G). This calculation will produce incorrect generation percentages for

¹ California Public Utilities Code Section 398.6 (b) (added by SB 1158).

² California Public Utilities Code Section 398.6 (m) (added by SB 1158).

retail customers because it removes the generation to serve wholesale electricity sales from the Oversupply balance.

- LADWP suggests adding an “Adjusted Net MWh Procured” column for each generator. This column would show the reduction from generator resales and oversupply in each hour.
- The Oversupply column for each generator is locked and not adjustable. This lock does not allow entities to adjust the stacking order or spread oversupply amongst generators of similar fuel type. Consequently, this lock will attribute most of the oversupply to the first generator listed on the template.
- “Avoided GHGs” (column N) only includes the “Avoided GHGs” from the first three facilities. However, it should include all facilities.
- “Loss-adjusted load” (column D) does not include the last two facilities. These last two facilities should be included.
- The formula in each facility’s “Oversupplied” column (column R) points to the “Oversupplied” column of the previous facility. LADWP believes it should point to the “Remaining oversupply balance” column (column S) instead.
- LADWP suggests implementing Excel logic for the “Oversupplied” (column R) and “Line Losses” (column Q) columns to check whether the value is greater than 0.

8. LADWP requests Commission Staff to provide a draft PCL Excel template for entities to review.

LADWP requests that Commission Staff provide a draft Excel template for the proposed PCL Report for entities to test and review. LADWP would like the opportunity to provide feedback on how the data in the Hourly Reporting Template will translate to the PCL Report.

CONCLUSION

LADWP appreciates the opportunity to participate in this rulemaking process and looks forward to working with the Commission to help shape appropriate and effective program guidelines that will benefit the health, safety, and security of all California residents. If you have any questions, please contact me at (213) 367-4631, or Mr. Rockeish Mckenzie at (213) 367-4341.

Dated: 10/24/2023

Respectfully Submitted,

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