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Comment Received From: Silicon Valley Clean Energy and Central Coast Community

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Joint CCAs on Rulemaking to Amend Regulations Governing the Power Source Disclosure Program

Additional submitted attachment is included below.

October 24, 2023

California Energy Commission Docket No. 21-OIR-01 715 P Street Sacramento, CA 95814-5512

Submitted electronically

RE: Rulemaking to Amend Regulations Governing the Power Source Disclosure Program

Silicon Valley Clean Energy ("SVCE") and Central Coast Community Energy ("3CE"), together the ("Joint CCAs"), appreciate the opportunity to work with California Energy Commission ("CEC") to further develop the Power Source Disclosure ("PSD") program. In this letter the Joint CCAs provide feedback on the pre-rulemaking workshop on updates to the PSD program held on September 26, 2023, specifically as they relate to emissions associated with geothermal resources.¹

The inclusion of carbon emission levels for geothermal on the Power Content Label ("PCL") is misleading and runs counter to California's existing clean energy policies. The current manner in which geothermal emissions are represented on the PCL does not accurately capture the technical and policy nuances behind geothermal being a clean energy resource.

From a technical standpoint, the correct measure of carbon emissions from a geothermal plant is the measure of emissions resulting from the operation of the actual plant, not the naturally occurring background emissions at the site. Most conventional flash and steam geothermal plants are developed at sites with naturally occurring releases of emissions, the form in which geothermal activity manifested itself on the surface of the earth. These emissions are released in the background and not tied to the operation of the actual plant.

From a policy standpoint, the following foundational clean energy and emissions policy programs in California have acknowledged and appropriately valued the contribution of geothermal resources to California's greenhouse gas (GHG) emissions reduction goals:

1. California Code of Regulations Title 17, § 95852.2 (b)(1) exempts "emissions from geothermal generating units and geothermal facilities, including geothermal geyser steam or fluids" from counting towards an entity's compliance obligation with the California Air Resources Board ("CARB") Regulation for the Mandatory Reporting of Greenhouse Gas Emissions ("MRR"). This MRR program exemption acknowledges that geothermal resources do not use combustion to generate electricity and that the source of any escaping GHG emissions is the natural geothermal resource itself.

¹ See https://www.energy.ca.gov/event/workshop/2023-09/staff-pre-rulemaking-workshop-updates-power-source-disclosure-regulations

2. The CEC's very own Joint Agency analysis and report for SB 100 (de León, Chapter 312, Statutes of 2018), California's policy to achieve 100% clean energy by 2045, considers geothermal an eligible "zero carbon" resource. Beyond defining geothermal as an eligible zero carbon resource, the 2021 SB 100 Joint Agency Report modeled increased amounts of geothermal to analyze its contribution to California meeting its 100 percent clean electricity target. In the SB 100 core scenario, the results of the analysis show a need for 135 MWs of geothermal by 2045.3

Yet, the CEC's inclusion of naturally occurring carbon emissions associated with geothermal resources on the PCL publicly skews the information consumers will have of geothermal. This will have counterproductive impacts on a consumer's perception of geothermal as a clean resource. The PSD program and PCL were intended to "disclose accurate, reliable, and simple to understand information" to the public about the emissions released by the generation of the electricity they consume. However, the current representation of geothermal on the PCL is neither an accurate nor simple depiction of the complex nuances of emissions at naturally occurring geothermal sites. At the same time, the CEC's SB 100 Joint Agency Report makes clear the fundamental need California has for geothermal. For this reason, the policies the CEC adopts as part of the PSD that will define the representation of geothermal on the PCL moving forward should not discourage load serving entities from contracting for new geothermal resources.

For the abovementioned reasons, the Joint CCAs urge the CEC to eliminate the inaccurate representation of carbon emissions associated with a geothermal resource site on the PCL. The Joint CCAs also join in and support the Southern California Public Power Authority and Riverside Public Utilities' comments on this issue.

Respectfully,

DocuSigned by:

Monica Padilla

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Monica Padilla
Acting Chief Executive Officer
Silicon Valley Clean Energy

—DocuSigned by:

Pennis Pyc-O'Mal — DA9B5486B69C469...

Dennis Dyc-O'Neal Chief Operating Officer Central Coast Community Energy

² 2021 SB 100 Joint Agency Report, p. 62 and p. 66.

³ 2021 SB 100 Joint Agency Report, p. 75.

⁴ Senate Bill 1305 (Stats. 1997, ch. 796).