

**DOCKETED**

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

*Submitted On: 2/21/2024*

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**SVCE & 3CE - Joint CCA Comments on Pre-Rulemaking Amendments to the Power Source Disclosure Program**

*Additional submitted attachment is included below.*

February 21, 2024

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

Submitted Electronically

**RE: Rulemaking to Amended 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 the California Energy Commission (“CEC”) to further develop the Power Source Disclosure (“PSD”) program. In this letter, the Joint CCAs provide feedback on CEC staff’s Pre-Rulemaking Amendments<sup>1</sup> (“Amendments”) to the PSD Program draft regulations<sup>2</sup> (“Draft Regulations”). This letter also follows-up on issues raised in SVCE and 3CE’s joint comments re: the pre-rulemaking workshop (“Joint Comments”).<sup>3</sup>

The Joint CCAs commend CEC staff for amending the Draft Regulations to better reflect the representation of geothermal resources on the Power Content Label (“PCL”). In addition, the Joint CCAs support the Amendments’ provisions regarding stacking by preference. Finally, the Joint CCAs have concerns regarding the ability of retail suppliers to collect data necessary to comply and also seek clarity regarding templates and undefined grounds for exemptions.

**Geothermal Exclusion from the PCL**

Section 1393.1(c)(3) of the Amendments states: “The calculation of geothermal [greenhouse gas] emissions and biogenic CO<sub>2</sub> reported to the Energy Commission pursuant to section 1393(b) shall not be included in the display of GHG intensities on the power content label.” The Joint CCAs fully support this amendment and thank the CEC staff for considering SVCE and 3CE’s Joint Comments.

As further discussed in the Joint Comments, certain clean energy and emissions policy programs in California acknowledge the contribution of geothermal resources to California’s greenhouse gas (“GHG”) reduction goals. Specifically, the California Air Resources Board’s (“CARB”) Regulations for the Mandatory Reporting of Greenhouse Gas Emissions<sup>4</sup> exempt emissions from geothermal facilities from counting towards an entity’s compliance obligation because the resources do not use combustion to generate electricity, and the source of any escaping GHG emissions is the natural geothermal resource itself. California electricity planners have acknowledged the value of geothermal as a clean, firm, baseload resource. The 2023 Preferred

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<sup>1</sup> Filed to the docket (21-OIR-01) on January 31, 2024 (TN # 254274).

<sup>2</sup> Filed on September 20, 2023 (TN # 252317).

<sup>3</sup> Filed on October 24, 2023 (TN # 252722).

<sup>4</sup> California Code of Regulations Title 17 § 95852.2(b)(1).

System Plan suggests a need for an additional 2,000 MW of geothermal to serve California clean load in a reliable manner by 2045.<sup>5</sup> Penalizing load serving entities (“LSEs”) by tagging these resources with emissions despite being described as “zero carbon” in the Joint Agency SB 100 report will only deter LSEs from procuring necessary resources. For these reasons, the Joint CCAs fully support the provision of the Amendments to remove GHG emissions associated with geothermal resources from the PCL. In addition, the Joint CCAs encourage CEC staff to consider implementing this and other changes to the annual reporting requirements as soon as is feasible.

### **Stacking Order for Load Matching**

CEC staff revised the Draft Regulations to state in Section 1392(c)(4)(A) of the Amendments: “In each hour of the year, a retail supplier shall stack its procurements for comparison with its hourly loss-adjusted load. The retail supplier shall determine the stacking order used for load matching.” The Joint CCAs support this update to accurately reflect the power portfolio offered to their customers at a given point in time. The Joint CCAs request that the CEC continue to provide technical examples over time to help with implementation.

### **Issues with Hourly Data Collection to Create a Resource Report**

The Joint CCAs remain concerned that collecting hourly data from their suppliers to create a Resource Report will be overly burdensome and difficult to achieve by January 1, 2028. Community choice aggregators (“CCAs”) typically contract with various generators to provide power to their customers. The PSD program establishes new expensive and time-consuming requirements on both CCAs and their contracted generators. Specifically, in the Joint CCAs’ case, numerous contracts have already been executed for projects for 2028 and beyond, for which this requirement did not exist at the time of drafting and execution.

In addition, without stronger, systemic mechanisms for verification and auditing of the data contained in the Resource Reports, the Joint CCAs have concerns about the accuracy of the information that will be provided program-wide. Transparency is the main goal of the PSD program, and therefore the CEC needs to ensure strict enforcement of the accuracy of Resource Reports. The Joint CCAs encourage the CEC to seek input and partner, as appropriate, with organizations who have experience and existing systems for tracking transactions across the grid, such as the California Independent System Operator and the Western Electricity Coordinating Council (who operates the Western Renewable Energy Generation Information System).

Finally, the Joint CCAs ask for an update on the status of the data submission portal and also ask that the CEC circulate examples of the new Resource Report template as soon as possible to allow for ample preparation.

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<sup>5</sup> Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification (D.24-02-047, Cal.P.U.C., February 20, 2024); <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M525/K918/525918033.PDF>

## **Remaining Concerns**

Section 1393(c)(1) of the Amendments, regarding fuel mix information on the PCL, is changed such that the entry of Unspecified Power includes the phrase “(primarily from fossil fuels)[.]” The Joint CCAs note that as the supply of renewable and carbon-free resources on the grid continues to grow over time, this definition – while already vague – may become incorrect in a short period of time.

In addition, in the CEC’s Summary of Changes and FAQs,<sup>6</sup> CEC staff describes that Section 398.6(l) grants the CEC authority to exempt small entities from certain hourly reporting requirements if the burden is “unduly.” The Joint CCAs would like to see quantitative criteria for what constitutes an unduly burden for a retail supplier and also note that all retail suppliers face a high burden to comply with the PSD program.

In conclusion, the Joint CCAs appreciate the opportunity to submit comments and again reiterate their support of the Amendments regarding the exemption of geothermal resources and the ability to stack resources by preference.

Respectfully,

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<sup>6</sup> Filed on January 31, 2024 (TN # 254272).