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SDG&E Comments on Pre-Rulemaking Draft of Power Source Disclosure Program Regulations

Additional submitted attachment is included below.



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February 22, 2024

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

RE: SDG&E Comments on Pre-Rulemaking Amendments to the Power Source Disclosure Program (Docket No. 21-OIR-01)

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to review and provide input on the Pre-Rulemaking Amendments to the Power Source Disclosure Program (Draft Regulations) that were released on January 31, 2024. SDG&E recognizes California Energy Commission (CEC) staff's thoughtful approach in assessing stakeholder impacts of potential changes to the program to align with legislative direction, initially through a request for input and subsequent workshops, followed by the release of the Draft Regulations for public comment.

SDG&E identified portions of the Draft Regulations that would improve the readability of the Power Content Label for its customers and encourages the CEC to proceed with these changes. Examples include providing pie chart visuals and removing "other electricity end uses," as well as formatting changes for the label that should reduce customer confusion.

SDG&E further identified a few areas that raised concerns, and others that may require further clarification to be implemented. SDG&E respectfully submits the input below for CEC staff's consideration as the pre-rulemaking and rulemaking processes continue.

- **Clarification is needed to ensure that requirements to report generation procured for system or local reliability are applied uniformly to all impacted retail sellers.** Section 1393(d)(1) of the Draft Regulations would require an investor-owned utility (IOU) to continue to report only the portion of cost allocation mechanism (CAM) generation that the IOU procures for meeting system or local reliability needs, pursuant to California Public Utilities Code section 365.1(c)(2)(A). However, no such requirement exists for the other load-serving entities (LSEs) that receive IOU-allocated CAM resource adequacy. Although the receiving LSEs only receive resource adequacy and not actual MWh through the CAM program, the requirement to report the associated emissions should apply to all retail sellers. This would more effectively support the California Public Utilities Commission (CPUC) orders, and the overall intent of the Power Source Disclosure Program, to provide a more accurate comparison of resources and greenhouse gas (GHG) emissions intensities across retail sellers.

Further, it is inconsistent that non-IOU retail sellers must currently report the Renewables Portfolio Standard (RPS) generation obtained from the IOUs, but do not have to report the CAM emissions impacts. A more accurate reflection of portfolio emissions should include retail sellers' CAM resource allocated procurement, as these emissions are not being captured in the PSD process currently.

If the Commission intended Section 1393(d)(2) of the Draft Regulations to mean that the IOUs shall provide allocations of CAM generation (in addition to RPS allocations) to be used by LSEs in their PSD reporting, then CEC staff should consider whether conforming changes for LSE submitted reports are needed to reflect the inclusion of CAM resources, similar to the requirement that exists for IOUs.

- **CEC should exercise caution in ensuring sensitive business information contained in retail sales contracts remains protected.** Section 1393(d)(2) of the Draft Regulations would require IOUs to submit an Allocation Report that includes “each resource the [IOU] has reallocated to other retail suppliers in the [IOU’s] service territory, the total hourly generation delivered to the grid by each resource, and the shares of each resource allocated to each applicable retail seller.” The section further indicates that CEC staff would make the Allocation Reports available for other retail suppliers via the CEC website.¹

SDG&E is concerned about the confidentiality impacts of posting submitted hourly generation by resource and LSE allocation factors to the CEC’s website or making them otherwise publicly available. There may be confidentiality concerns with publicly posting the hourly generation by resource data and the resource allocation percentages for LSEs.² Making this information available to the public could undermine the efforts that IOUs have made with their counterparties to maintain confidentiality of the counterparties’ data, including hourly generation. Although most contracts contain language permitting disclosure of contract details for purposes of regulatory compliance, it seems unnecessary in this situation to provide the information to parties that do not require it – especially if doing so creates an undue risk that the utility and/or the LSE may be deemed to have waived confidential treatment of the information by releasing it to the CEC as part of the Allocation Report. To address this, SDG&E requests the CEC consider whether there is a way that LSEs can be provided with only the hourly data they need to complete their own reporting, without having access to all reports which contain sensitive information for other LSEs. The information regarding other LSE allocations is not needed, nor relevant, for an LSE to complete its own reporting. Further, the VAMO allocation shares are based on each LSE’s forecasted load share, and the bundled customer energy forecast for each LSE is confidential per the CPUC’s IOU confidentiality matrix Appendix 1, Section V.C.³

¹ CEC *Pre-Rulemaking Amendments to the Power Source Disclosure Program* at page 24.

² See, e.g., CPUC Decision 06-06-066, Appendix 1 (IOU Matrix), Section II.B “Generation Cost Forecasts,” Section IV “Resource Planning Information – Electric,” Section V “Load Forecast Information and Data – Electric,” Section VII “Bilateral Contract Terms and Conditions – Electric,” Pub. Util. Code Sections 454.4(g) and 583; Govt. Code Section 6254(k).

³ Appendix 1 of D.06-06-066 in the CPUC’s Order Instituting Rulemaking (OIR) 05-06-040 established a Matrix of Allowed Confidential Treatment for Investor Owned Utility Data.

SDG&E encourages CEC staff to continue discussions with stakeholders to ensure that any confidentiality concerns arising from the newly proposed requirements can be thoroughly assessed and, if appropriate, addressed within the regulation.

- **SDG&E appreciates that the CEC is planning to provide the hourly greenhouse gas (GHG) emissions intensities for unspecified power each year, hourly production profiles by fuel type, and standard line loss rates.** Having one universal dataset on these inputs will help provide a more standardized comparison across LSE portfolios as all LSEs will be using consistent inputs. This will also streamline and simplify the Power Source Disclosure preparation process for the LSEs and eliminate any confusion regarding the methodology.

Conclusion

Thank you for your consideration of SDG&E's comments. Please do not hesitate to contact me should you have any questions or wish to discuss our comments in greater detail. SDG&E looks forward to continuing discussions with CEC staff and stakeholders on further refinement of the Power Source Disclosure regulation.

Sincerely,



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