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STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

IN THE MATTER OF: Rulemaking to Amend Regulations Governing the Power Source Disclosure Program	DOCKET NO. 21-OIR-01 RE: Power Source Disclosure

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON THE PRE-RULEMAKING UPDATES TO THE POWER SOURCE DISCLOSURE REGULATIONS

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California Community Choice Association[1] (CalCCA) submits these comments to the California Energy Commission (Commission) on the second version of the "Pre-Rulemaking Draft" of Proposed Amendments to the Power Source Disclosure (PSD) program regulations, and the "Summary of Changes and FAQs," both dated January 31, 2024 (collectively, the Proposed PSD Updates).

I. INTRODUCTION

CalCCA appreciates the opportunity to comment on the Proposed PSD Updates, and to be a participant in both this pre-rulemaking and the upcoming Rulemaking to formalize the PSD program modifications. As generation providers to approximately 37 percent of customers in the investor-owned utilities' (IOU) territories, community choice aggregators (CCA) as load-serving

[1] California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

entities (LSE) serve approximately 14 million electricity customers in California. CCAs have a strong interest in ensuring the accurate portrayal of their electricity portfolios through the PSD program and the power content labels (PCL), especially given their focus on procurement of renewable and green-house gas-free (GHG-free) electricity to meet California's decarbonization goals.

The Proposed PSD Updates follow draft regulations, a draft hourly reporting template, a staff proposal paper, and a pre-rulemaking workshop all in September 2023, and party comments on the draft regulations submitted in October 2023. This first draft included changes to the regulatory language to refine the annual accounting rules, implement the hourly reporting requirements from Senate Bill 1158 (Stats. 2022, ch. 367) (SB 1158), and adopt annual deadlines for posting and distributing of retail suppliers' PCLs as required by Assembly Bill 242 (Stats. 2021, ch. 228). The Proposed PSD Updates include the second round of revisions to the proposed regulations, including:

(1) attributing emissions from oversupplied resources not to a retail supplier's specified purchases, but rather to the hourly unspecified power emissions factor;

(2) omitting green-house gas (GHG) emissions associated with geothermal resources from the PCL and aligning the label with the GHG emissions subject to a compliance obligation under Cap-and-Trade;

(3) agreeing with commenters that the PSD program should utilize more complete data to calculate the emissions factor for system power purchases of undersupplied utilities;

(4) retaining the line loss adjustment factors from the first set of pre-rulemaking regulations (i.e., a four percent loss adjustment factor for specified in-state resources, an additional two percent loss adjustment factor for specified imports, and a variable loss adjustment factor for hourly unspecified power), but allowing reported losses from retail suppliers that have verifiable loss data;

(5) estimating (i.e., providing proxies of) hourly production profiles of resources when they are unobtainable by using the Clean System Power (CSP) calculator of the California Public Utilities Commission (CPUC);

(6) for reporting on Voluntary Allocation and Market Offer (VAMO) transactions and other allocations, requiring the IOUs to submit an allocation report on or before May 1 of each year, which includes hourly resources allocated to other retail suppliers, and providing access to applicable entities to use in hourly and annual reporting;

(7) for resources sold or allocated to parties without specific hourly distributions to each party, a retail supplier will claim its hourly share of the resource based on its proportional share of the annual procurement of the resource, and when hourly generation data is unobtainable, the retail supplier will report hourly data using the hourly distribution tool for the relevant fuel type;

(8) allowing retail suppliers with an annual electric demand of less than 1,000 gigawatt hours (GWh) to report proxy data obtained from the CSP for all their resources to minimize the reporting burden for these relatively small retail providers, as long as the retail supplier provides its hourly load;

(9) consolidating the annual and hourly reporting;

(10) requiring retail suppliers to report annual loss-adjusted load; and

(11) revising the PCL template to ensure accuracy and less confusion for customers, including reclassifying unspecified power as “unspecified power (primarily fossil fuels),” and incorporating a footnote stating that “unspecified power is primarily fossil fuel generation but may include other resources.”

CalCCA supports the proposed updates and appreciates the Commission’s efforts to improve the accuracy of the PSD and PCL. CalCCA provides the following additional recommendations and requests for clarification to continue the refinement of the regulations:

- the Commission should clarify when the new annual accounting rules will take effect;
- the PCL should be made more accessible through language translations and screen reader compatibility;
- the Commission should allow exemptions of procurement for retail supplier limited eligibility procurement products which are not generally applicable to all customers; and
- Example use cases, templates, and program testing opportunities should be provided for each new accounting rule to ensure accurate and consistent implementation among retail suppliers.

II. THE PROPOSED PSD UPDATES SHOULD BE ADOPTED, WITH CLARIFICATIONS

The Proposed PSD Updates should be adopted. With this second set of revisions, the Commission has addressed many of the concerns raised by CalCCA and other commenters in comments on the first set of revisions in September 2023. CalCCA appreciates the Commission's diligence in balancing the interests of stakeholders, while refining the PSD accounting rules and PCL to better reflect retail suppliers' procurement. In particular, CalCCA appreciates the updated regulation's clarification of treatment of VAMO and all other allocations from the IOUs to CCAs. CalCCA also appreciates the system put into place for the IOUs to provide an annual detailed report of allocations to allow CCAs to accurately reflect such allocations in their reporting. The Commission's adoption of an exemption from the hourly reporting requirement for retail suppliers (with an annual electrical demand of less than 1,000 GWh) will also minimize the reporting burden for these small entities. Finally, acknowledging that unspecified power does not only consist of fossil fuels, but may include other resources, more accurately depicts the makeup of unspecified power.

To further refine and improve the accuracy of the PSD and PCL, CalCCA also recommends below that: (1) the Commission clarify when the new annual accounting rules will take effect; (2) the PCL be made more accessible to non-English and visually impaired customers; (3) additional exemptions to hourly reporting should be made for small procurement programs of limited applicability; and (4) example use cases, templates, and program testing opportunities should be provided for the new rules to ensure consistent and accurate implementation by retail suppliers.

A. The Commission Should Clarify When the New Annual Accounting Rules Will Take Effect

While SB 1158 clearly requires the reporting of hourly data beginning in 2028, the Commission has not clarified when the new annual reporting rules will take effect. Therefore, the Commission should clarify the implementation date of the new annual reporting rules to occur in 2026, considering the need for retail suppliers to themselves implement and adapt to the new rules.

B. User Accessibility of the Power Content Label for Non-English Speakers and the Visually Impaired Should be Addressed

The Commission should increase the accessibility of the PCL to allow non-English speakers and the visually impaired to access the information. The PCL should be translated into languages spoken by many customers in California, including Spanish, Mandarin, Vietnamese, and others. In addition, the Commission should make the PCL screen reader compatible so that visually impaired customers can access the PCL to understand its content. The greater accessibility the Commission allows, the more customers the PCL can reach.

C. Procurement for Small Procurement Programs With Narrow Eligibility Requirements and Limited Applicability Should Be Exempted from Reporting

The Commission should allow exemptions for hourly reporting of procurement for programs with narrow eligibility requirements and limited applicability among customers. For example, the Disadvantaged Communities-Green Tariff program enables income-qualified residential customers in Disadvantaged Communities who may be unable to install solar on their roof to benefit from utility scale clean energy and receive a 20 percent bill discount. The procurement for such programs is relatively small, the eligibility for the program is limited and therefore the program is not of general applicability to all customers, and the hourly reporting burden will be quite large. Therefore, stakeholders and the Commission should compile a list of small procurement programs that can be exempted from the hourly reporting.

D. The Commission Should Provide Example 'Use Cases,' Templates, and Program Testing Opportunities to Ensure Accurate and Consistent Implementation of the New Hourly and Annual Reporting Rules

Given the complexity of the new hourly and annual reporting rules for retail sellers, the Commission should provide example "use cases" for each new accounting rule to clearly establish how the rules will be applied. In addition, to the extent new templates and programs are established to implement the new rules, the Commission should allow retail suppliers adequate time to test the new templates and programs well before they are required to be implemented. As such, these new templates and "use cases" would provide the most value if they are developed and made available by the end of 2024.

III. CONCLUSION

CalCCA looks forward to further collaboration on this topic in the pre-rulemaking and rulemaking phases.

Respectfully submitted,

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February 21, 2024