

DOCKETED

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Updates to the Power Source Disclosure Regulations

June 2024



Housekeeping

1. Workshop is being recorded via Zoom and there is a court reporter.
2. For help with Zoom,
 - Type your **zoom-related administrative** questions into the Q&A window.
 - Contact Zoom at (888) 799-9666 ext. 2, or the CEC Public Advisor at publicadvisor@energy.ca.gov, or by phone at (916) 957-7910.
3. Proposed regulations and supporting materials in **21-OIR-01** docket at: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-OIR-01>
4. Question and Answer and Public Comment periods held after presentations.
5. Written comments are due by 5:00 pm on July 3, 2024.
 - Submit through the e-commenting system (21-OIR-01) at <https://efiling.energy.ca.gov/Ecomment/Ecomment.aspx?docketnumber=21-OIR-01>



Agenda

- 1) Background and Rulemaking Aims
- 2) Proposed Changes to Regulations
- 3) Updated PSD Reporting Templates
- 4) Q&A
- 5) Public Comment



Background

AB 242 (2021): Power Content Label (PCL) published to retail supplier's website by October 1 and available in written and promotional materials by end of each year.

- Dec. 2021 pre-rulemaking workshop also addressed:
 - Unbundled REC retirement
 - GHG reporting deadline for new CCAs
 - Public agencies attesting only to annual report and not PCL

SB 1158 (2022): Retail suppliers annually report their **hourly** loss-adjusted load, sources of electricity, and associated GHG emissions to CEC starting in **2028**.

- RFI – March 2023
- Draft regs v.1 and workshop – September 2023
- Draft regs v.2 – January 2024
- Rulemaking launched with Express Terms – May 17, 2024



Rulemaking Aims

- 1) Implement AB 242 and SB 1158
- 2) Update annual accounting and PCL disclosures
- 3) Improve PSD program's alignment with CARB
- 4) Limit reporting burden



Proposed Regulatory Changes

1391 - Definitions

1391.1 - Generation Disclosure (*no substantive changes*)

1392 - Annual and Hourly Accounting Methodologies

1393 - Annual Submission to the CEC

1393.1 - Retail Disclosure to Consumers

1394 - Auditing and Verification



Section 1391 – Select Definitions

Loss-adjusted load

- Total load (retail sales and other end uses) + losses

Total power content

- Total electricity and associated GHG emissions that served loss-adjusted load
- Displayed on the PCL

Unspecified power

- “derived primarily from natural gas and other fossil fuels”



Section 1392(a) – General Accounting Provisions

GHG emissions intensities calculated

- Retail portfolios and total power content

Transmission and distribution losses

- Each retail supplier assigned a single loss factor based on latest IEPR Demand Forecast losses for their planning region (see **Line Loss Factors** tab in reporting templates)
- Loss factor increases hourly or annual load by that percentage
- Alternatively, retail suppliers calculate their own loss factor and provide supporting documentation



1392(b) – Annual Accounting

Updated reporting requirements

Retail suppliers report annual loss-adjusted load, annual sales of each retail portfolio, specified electricity purchases, and specified resales

- Undersupply: Loss-adjusted load – net specified purchases = unspecified power
- Oversupply: If net specified purchases > loss-adjusted load, oversupply removed in the following order until net specified purchases = loss-adjusted load
 - Natural gas
 - All other resources proportionally, except coal



1392(b) – Annual Accounting (2)

Updated fuel mix and emissions accounting

Expanded disclosure

- Total power content reflects all electricity purchases matched to loss-adjusted load and associated emissions*
- Statewide GHG intensity = average of all retail suppliers' total power content

Improved CARB alignment: unspecified power

- *Current method*: All unspecified power assigned CARB's unspecified imports default of 0.428 MT CO₂e/MWh
- *Updated method*: Only unspecified imports assigned CARB's default
 - Unspecified power emissions factor based on unspecified imports, unclaimed in-state natural gas, and oversupply

*See section 1393.1 for exceptions and further explanation

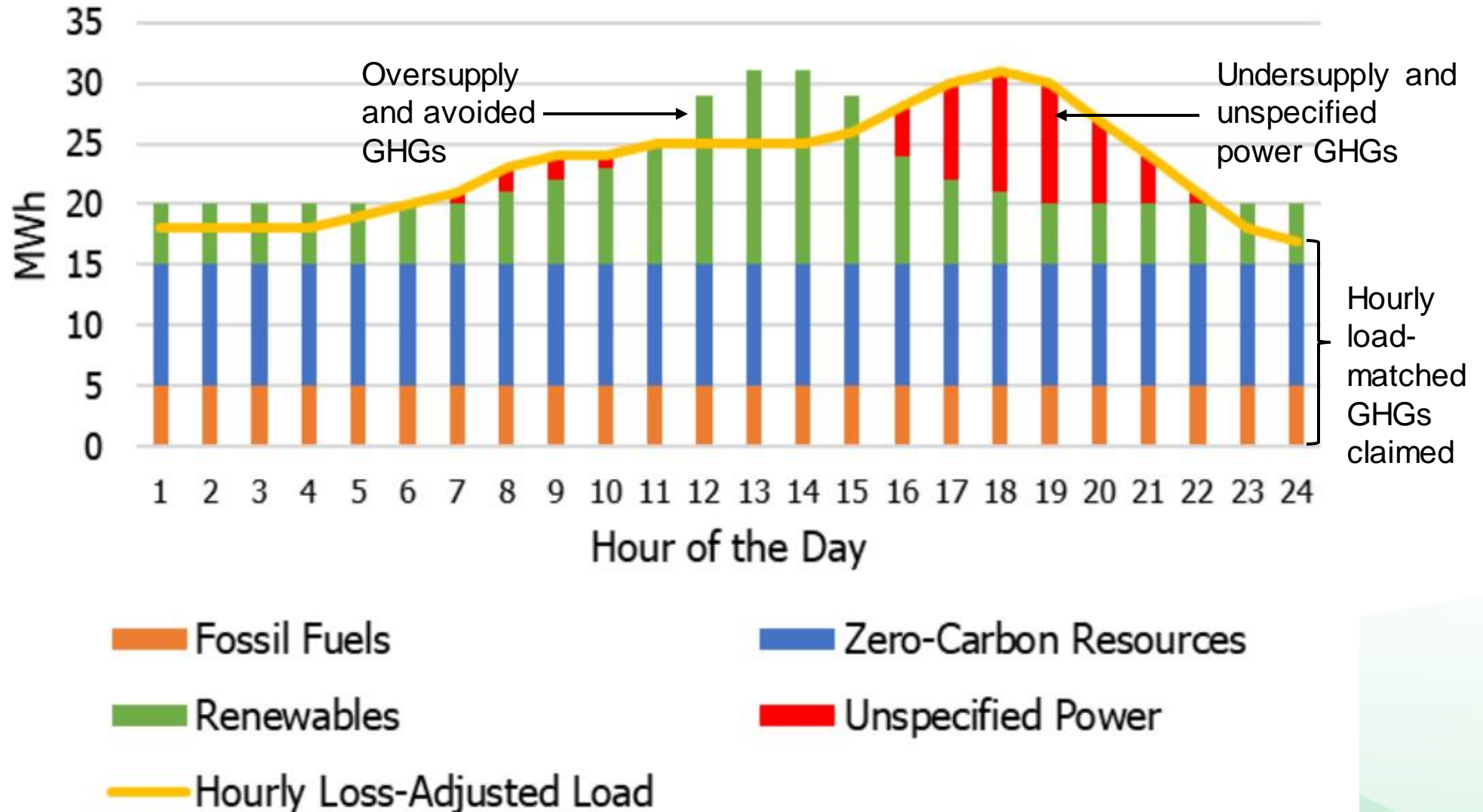


1392(c) – Hourly Accounting

Hourly load-matching

of electricity purchases to loss-adjusted load. Retail suppliers choose stacking order of resources

GHG accounting based on resources matched to hourly loss-adjusted load (excess coal GHGs must also be claimed)





1392(c) – Hourly Accounting (2)

Retail suppliers report hourly

- Load
- Specified purchases and specified resales
- Storage charging and discharging

CEC template/reporting system calculates hourly

- Losses
- Added load of storage charging, added procurements of storage discharging
- Oversupply (factored into unspecified power) and avoided GHG emissions
- Undersupply and unspecified power emissions
 - Unspecified power emissions factor based on hourly unspecified imports, unclaimed in-state natural gas, and oversupply
- GHG emissions associated with loss-adjusted load



Section 1393 – Annual Submission to the CEC

Annual Resource Report

- Due June 1. Starting in 2028: those subject to SB 1158 report hourly data, from which annual data will be derived

Proxy data for unobtainable hourly data

- Proxy hourly production profiles calculated by CEC staff (see **Proxy Data Calculator** in the 2028 consolidated reporting template)
- ACS and CVP hydro procurements can be reported using proxy data

Unbundled REC reporting

- Retired unbundled RECs should be reported in association with a previous year's electricity portfolio, rather than the retirement year



Section 1393.1 – Retail Disclosure to Consumers

PCL due dates (AB 242): Retail supplier must publish PCL to its website by October 1 annually and make PCL available in written and promotional materials by end of each year.

- CEC may generate PCLs once new technical resources are in place

New CCAs: Must begin reporting GHG data within 36 months after serving first retail customers

PCL updates

- *Resource categorization:* renewables and zero-carbon; fossil fuels and unspecified power
- *Fuel type:* biomass and biogas
- *GHG emissions:* Geothermal GHGs not included in emissions intensities on PCL. Alignment with Cap-and-Trade.
- *New footnotes:* links to additional GHG info on website; total power content; unbundled REC disclosure



Sample Power Content Label

2022 POWER CONTENT LABEL				
Coastal Energy LLC				
www.coastalenergy.fakewebsite				
Greenhouse Gas Emissions Intensity	General Portfolio	Green Portfolio	Coastal Energy Total	CA Average
Average lbs of CO ₂ e emitted per megawatt hour	490	0	505	486
Electricity Sources				
<ul style="list-style-type: none"> ■ Renewables and Zero-Carbon Resources ■ Fossil Fuels and Unspecified Power 				
Biomass & Biogas	2%	0%	1%	2%
Geothermal	1%	0%	1%	5%
Small Hydroelectric	1%	0%	1%	1%
Solar	16%	75%	16%	17%
Wind	10%	0%	8%	11%
Large Hydroelectric	21%	25%	20%	9%
Nuclear	0%	0%	0%	9%
Natural Gas	32%	0%	34%	37%
Coal & Petroleum	0%	0%	0%	2%
Unspecified Power (primarily fossil fuels)	17%	0%	19%	7%
<ul style="list-style-type: none"> ■ GHG intensity figures exclude biogenic CO₂ and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below. ■ "Coastal Energy Total" includes retail sales to customers, other electricity uses that support retail electric service, and energy losses. ■ This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unbundled RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mix or GHG emissions intensities above. Percentage of retail sales covered by retired unbundled RECs: General Portfolio: 15%, Green Portfolio: 10%. 				
Want to learn more? Visit https://www.energy.ca.gov/pcl				

Note: This sample label is not part of the rulemaking package, but is a staff design that incorporates the required content described in the Express Terms.



Section 1394 – Auditing and Verification

Attestations

- Public agencies must only attest to the veracity of annual reports, not PCLs.



Next Steps and Timeline

July 3 – Written comments

August 14 – Public hearing and adoption at business meeting

June 1, 2025 – New regulations effective for annual reporting

June 1, 2027 – Voluntary test reporting of hourly data

June 1, 2028 - Start of hourly reporting



Updated Reporting Templates

- 2025 annual reporting template
- 2028 consolidated hourly and annual reporting template



Question and Answer

Zoom:

- Use the “raise hand” feature

Telephone:

- Dial *9 to raise your hand
- Staff will call on you to talk
- *6 to mute/unmute your phone line or use the mute feature on your phone.

**Spell your name
for the record.**

Zoom/phone participants, when called upon:

- Use the raise hand feature
- Staff will call on you to talk
- Unmute your line



Public Comment

Zoom:

- Use the “raise hand” feature

- Spell your name for the record.

Telephone:

- Dial *9 to raise your hand
- *6 to mute/unmute your phone line. You may also use the mute feature on your phone.

3-Minute Timer

Zoom/phone participants, when called upon:

- Use the raise hand feature
- Staff will call on you to talk
- Unmute your line



Thank you!

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Slides and documents are posted in the docket (21-OIR-01)

<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-OIR-01>

Written comments

Submit to the Docket Unit by 5:00 p.m. on July 3, 2024, or by email to docket@energy.ca.gov with docket number 21-OIR-01 and “Rulemaking to Amend Regulations Governing the Power Source Disclosure Program” in the subject line.

Subscribe to the Power Source Disclosure List Serve at:

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