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Steve Uhler
sau@wwmpd.comd.com

Additional submitted attachment is included below.

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TN256446-002 states:

"As explained in sections 1392(b)(5) and 1392(c)(6)(A), unspecified power will be calculated at the hourly and annual levels based on unspecified imports, unclaimed instate natural gas, and oversupply from other retail suppliers."

"Hourly or annual oversupply will determine the remaining emissions associated with unspecified power."

"As explained in sections 1392(b)(5) and 1392(c)(6)(A), the emissions factor of unspecified power at both the annual and hourly levels will be calculated based on unspecified imports, unclaimed in-state natural gas, and oversupply."

"As stated in sections 1392(b)(5) and 1392(c)(6)(A), the emissions factor of both annual and hourly unspecified power will be calculated based on unspecified imports, unclaimed instate natural gas, and oversupply."

"The CEC has determined that the annual unspecified power emissions factor will be calculated based on the electricity and associated GHG emissions from three data points: unspecified imports, unclaimed in-state natural gas, and annual oversupply."

"The sum of all GHG emissions from unspecified imports, unclaimed in-state natural gas, and oversupply divided by the megawatt hours of these resources represents the annual unspecified power emissions factor."

"The updated methodology is necessary because it establishes better alignment with CARB's methodology by only assigning this default factor to unspecified imports while directly calculating the emissions associated with unclaimed in-state natural gas generation and oversupply."

"1392(c)(1) The specific purpose of this subdivision is to explain the treatment of GHG emissions from coal resources procured in excess of hourly loss-adjusted load (oversupply, as defined in section 1392(c)(4)(C))."

"GHG emissions from oversupplied coal procurements must be retained in a retail supplier's GHG emissions inventory."

"While PUC Section 398.6(a)(1) offers guidance on the treatment of oversupplied energy that reduced the emissions factor of hourly unspecified power, SB 1158 does not describe a method for allocating emissions from fossil fuels or other GHG-emitting resources procured in excess of loss-adjusted load."

"In pre-rulemaking, the CEC initially proposed that a retail supplier must retain all GHG emissions associated with its specified procurements, including for any energy that was oversupplied within an hour."

"The CEC has therefore determined that only the GHG emissions from hourly loadmatched resources are attributable to a retail supplier; emissions from oversupplied resources will be factored into hourly unspecified power and become attributable to undersupplied retail suppliers."

"As this subdivision clarifies, however, emissions from oversupplied coal procurements are an exception."

"It is necessary for a retail supplier to retain its emissions from oversupplied coal procurements because the Emission Performance Standard, as noted in the annual accounting section 1392(b)(5), prohibits long-term purchases of high emitting generation, with coal-generated power being the highest emitting."

"1392(c)(3)(B)-(C) The specific purpose of these subdivisions is to provide specific descriptions of "hours of undersupply," "hourly undersupply," "hours of oversupply," and "hourly oversupply." These definitions are necessary because the hourly matching of resources to lossadjusted load will frequently produce two outcomes: a retail supplier will not purchase enough specified resources to match its hourly loss-adjusted load (undersupply), or a retail supplier will purchase specified resources in excess of its hourly loss-adjusted load (oversupply)."

"The descriptions of the terms "hours of undersupply," "hourly undersupply," "hours of oversupply," and "hourly oversupply" provide clear terminology applicable to these two scenarios within hourly accounting."

"The CEC has determined that each hour's unspecified power emissions factor will be calculated based on the electricity and associated GHG emissions from three data points: hourly unspecified imports, unclaimed in-state natural gas, and oversupply."

"During hours when some retail suppliers have purchased excess electricity, this oversupply represents a third source of available electricity on the grid for undersupplied retail suppliers."

"The sum of all GHG emissions from unspecified imports, unclaimed in-state natural gas, and oversupply divided by the megawatt hours of these resources (accounting for cogeneration) represents the hourly unspecified power emissions factor."

"This method is necessary to accurately allocate hourly GHG emissions to undersupplied retail suppliers, who rely on marginal generation from unspecified imports and natural gas as well as residual resources on the grid from oversupplied retail suppliers."

"1392(c)(7)(A)-(B) The specific purpose of these subdivisions is to explain the treatment of hourly oversupply and avoided GHG emissions."

"The CEC has determined that emissions from oversupplied resources will be factored into the hourly unspecified power calculation and become attributable to undersupplied retail suppliers, which is necessary to accurately assign GHG emissions to undersupplied retail suppliers."

"The CEC will factor unclaimed Diabo Canyon generation into oversupply and use it to calculate the emissions factors for unspecified power."

"Oversupply from these entities does not factor into California's unspecified power mix and undersupply from these entities will not be met by California's unspecified power mix; this means that hourly data from multijurisdictional electrical corporations cannot provide insight into the sources and disposition of unclaimed residual electricity in the state, a key purpose of SB 1158."

"Attribute emissions from hourly oversupply to the original procuring party CEC staff initially proposed to attribute all hourly GHG emissions to the party that procured an emitting resource, even if the generation exceeded the retail supplier's hourly energy needs."

"Requiring retail suppliers to claim the emissions associated with their oversupply would also ensure that all electricity sector emissions reported at the hourly level would remain accounted for."

"CEC staff's primary concern was to prevent emissions leakage: unless undersupplied retail suppliers always procured enough unspecified power to cover each hour's quantity of oversupply, some reported GHG emissions would ultimately not become attributable to any retail supplier and "leak" out of SB 1158's hourly accounting methodology."

"Consequently, the CEC has updated sections 1392(b)(4) and 1392(c)(1) to state that emissions from oversupplied resources at both the annual and hourly levels will be removed from a retail supplier's specified purchases, except for emissions associated with purchases of electricity generated from coal."

"Emissions from oversupply will be factored into calculations for the annual or hourly unspecified power emissions factor."

"This change will allow a retail supplier to remove specified purchases of natural gas and its associated GHG emissions from its inventory during periods of oversupply."

"The CEC will calculate hourly and annual unspecified power emissions factors based on three data points: unspecified imports (assigned a default emissions factor similar to a simple cycle natural gas plant), unclaimed in-state natural gas, and oversupply."

Steve Uhler
sau@wwmpd.com