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on Proposed 45-Day Language Amendments to the Power Source Disclosure Regulations (Supplemental Comments)

Additional submitted attachment is included below.



September 16, 2024

California Energy Commission
Docket Unit, MS-4
Re: Docket No. 21-OIR-01
715 P Street
Sacramento, CA 95814-5512

RE: California Municipal Utilities Association Supplemental Comments on Proposed 45-Day Language Amendments to the Power Source Disclosure Regulations [CEC Docket No. 21-OIR-01]

Dear Commission Staff,

The California Municipal Utilities Association (“CMUA”) submits these supplemental comments on the proposed *Amendments to the Power Source Disclosure Program* (“45-Day Language”), issued on May 17, 2024, in order to recommend that the Commission amend the regulations to add a fuel mix category for “emerging technologies” on the power content label (“PCL”). As described below, this change will ensure that retail suppliers are able to provide information to their customers about their investments in these important new technologies.

I. SUPPLEMENTAL COMMENTS ON THE 45-DAY LANGUAGE

A. The Commission Should Add “Emerging Technologies” as an Additional Fuel Type to the Power Content Label Until the Commission Can Comprehensively Address the Issue in a Subsequent Rulemaking.

Public Utilities Code section 398.4(h) specifies the fuel mix categories that must be listed on each PCL that retail suppliers provide to their customers. The Commission is authorized by Section 398.4(h)(6) to specify other categories of fuels, sources of energy, and electricity products to include on the PCL. As currently proposed in the 45-Day Language, the Commission does not include any additional fuel mix categories for emerging technologies, such as green hydrogen or thermal plants paired with carbon capture and storage (“CCS”) technologies. While these technologies have not yet been deployed at scale, electric utilities in California have made significant investments in these technologies and projects will begin to come online within the next few years. CMUA understands that the Commission intends to initiate a subsequent rulemaking to more thoroughly address the treatment of these resources. However, given the possibility that projects utilizing these emerging technologies may be operational before such a rulemaking could be concluded, the Commission should use the current

rulemaking to ensure that these resources will still be represented on customer PCLs even if the resource comes online prior to the completion of this subsequent rulemaking.

New energy technologies are rapidly advancing and it is difficult to predict the time period between testing and full deployment of new generation technologies. In order to encourage innovation and ensure that utility customers receive accurate PCLs, the power source disclosure (“PSD”) regulations must be flexible enough to allow new resources to be reflected on the PCL outside of the lengthy formal rulemaking process. Updating the PSD regulations typically takes several years and there are often many years in between rulemakings. CMUA is concerned that waiting for the completion of a subsequent Commission rulemaking before a new technology type can be added to a PCL would result in significant delays between when a new technology comes online and when the retail supplier would be able to report that procurement to its customers. This could result in inaccurate PCLs and customer confusion, which would be inconsistent with the legislative mandates set forth in section 398.4. This could also discourage retail suppliers from investing in these important resources. The Commission’s regulations should not disincentivize or otherwise be a barrier to these investments, which will play a vital role in helping meet California’s decarbonization goals in a manner that protects the reliability of the grid.¹

As an interim solution that will help ensure that these resources are reflected on customer PCLs, CMUA recommends that Section 1391.3(c)(1), as reflected in the 45-Day Language, be amended to add “Emerging technologies” to the list of fuel type categories. Additionally, CMUA recommends the following definition be added to Section 1391:

“Emerging technologies” means fuel or technology types that meet both of the following conditions:

(1) the fuel or technology type is not identified in Section 1393.1(c)(1)(A-I); and

(2) within the prior five years, the fuel or technology type was first used by or incorporated into a utility-scale generating unit that produces electricity for retail sales in California.

II. CONCLUSION

CMUA appreciates the opportunity to provide these supplemental comments to the Commission. Thank you for your time and attention to these comments.

¹ See, 2022 Scoping Plan for Achieving Carbon Neutrality, California Air Resources Board (November 16, 2022) available at <https://ww2.arb.ca.gov/sites/default/files/2022-11/2022-sp.pdf> (describing CCS as “a necessary tool to reduce GHG emissions and mitigate climate change while minimizing leakage and minimizing emissions where no technological alternatives may exist.”).