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on Proposed Amendments to the PSD Program Regulations (45-Day Updated Language)

Additional submitted attachment is included below.

**BEFORE THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA**

In the matter of:)	Docket No. 21-OIR-01
)	
Rulemaking to Amend Regulations)	RE: Revised Notice of Availability and
Governing the Power Source Disclosure)	Opportunity to Comment - 45-Day
Program)	Updated Language
_____)	

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER
TO THE CALIFORNIA ENERGY COMMISSION REGARDING
RULEMAKING TO AMEND REGULATIONS GOVERNING THE POWER SOURCE DISCLOSURE
PROGRAM 45-DAY UPDATED LANGUAGE**

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Dated: November 19, 2024

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INTRODUCTION

The City of Los Angeles (“City of LA”) is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. The Los Angeles Department of Water and Power (“LADWP”) is a proprietary department of the City of LA, pursuant to the Los Angeles City Charter, whose governing structure includes a Mayor, a City Council, and a Board of Water and Power Commissioners. LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation’s largest municipal utility, serving a population of over four million people within a 478 square mile service territory that covers the City of LA and portions of the Owens Valley. LADWP supports the growth and vitality of the City of LA, its residents, businesses, and the communities we serve, providing safe, reliable, and cost-effective water and power in a customer-focused and environmentally responsible manner.

LADWP appreciates the opportunity to provide specific comments on the revised proposal for amendments (“*45-Day Updated Language*”) to regulations governing the Power Source Disclosure (“PSD”) Program issued on October 4, 2024.

SPECIFIC COMMENTS

1. The Power Content Label (“PCL”) should continue to include language clarifying that it does not reflect Renewable Portfolio Standard (“RPS”) compliance.

Commission Staff’s proposed amendments in Section 1393.1 (I) of the *45-Day Updated Language* would remove the following footnote from the current PCL:

“The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.”

LADWP believes this clarification, which has been included on the PCL for the past five years, is necessary and should be retained.

LADWP is concerned that the removal of this footnote may lead consumers to misinterpret the renewable percentages stated on the PCL, especially the renewable percentages for total power content. Renewable percentages for total power content will likely be lower than renewable percentages for the retail supplier’s RPS compliance due to differences in calculation methodology (i.e. use of loss-adjusted load instead of retail sales). To avoid potential confusion, the PCL should include a footnote that provides this important contextual information. LADWP agrees with the concerns raised by the California Municipal Utilities Association (“CMUA”) in the “Description of Relationship Between the PCL and RPS” section of its comment letter to Commission Staff. LADWP supports CMUA’s proposed modification to Section 1393.1 (I)(1), which reads as follows:

“(1) This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the application of tracking instruments, called Renewable Energy Credits (RECs), over the course of multi-year compliance periods. RECs that are purchased separately from the renewable energy (referred to as “Unbundled RECs”) ~~renewable energy credits (RECs)~~ do not factor into the power mixes or GHG emissions intensities above, but they can be used for compliance with ~~the California’s Renewables Portfolio Standard (RPS)~~. The results depicted on this label reflect electricity procurement for a single reporting year and are based on counting rules that differ from the RPS. Consequently, this label may not include all eligible renewable procurement that will count towards RPS compliance for the applicable reporting year.”

2. Suggested revision to the proposed PCL footnote regarding greenhouse gas (“GHG”) emission exclusions.

In Section 1393.1 (I)(2) of the *45-Day Updated Language*, Commission Staff propose adding the following footnote to the PCL:

“(2) 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 CEC webpage at the link below.”

It is appropriate for the PCL to inform consumers that the information presented on the label excludes some emissions. LADWP recommends expanding this footnote to include emissions associated with qualifying firm-and-shaped energy which are also excluded from the GHG intensity. This expanded footnote may help explain why GHG intensity may increase if emissions associated with eligible firm-and-shaped energy are no longer excluded after the contract length is extended.

LADWP suggests revising Section 1393.1 (l)(2) to read as follows:

“(2) GHG intensity figures exclude ~~emissions from~~ biogenic CO₂, ~~and emissions from~~ geothermal sources, ~~and eligible firm-and-shaped renewable energy~~. For detailed information about all GHG emissions from California’s retail electricity suppliers, visit the CEC webpage at the link below.”

3. Suggested revisions for Section 1393.1 to clarify PCL disclosure requirements and implementation timeline.

LADWP suggests revising Section 1393.1 (c) of the *45-Day Updated Language* to distinguish between PCL data disclosure requirements of the retail supplier and the Commission. Section 1393.1 (c) does not clearly identify the component information that the retail supplier and the Commission are each expected to provide for disclosure on the PCL. To provide additional clarity, LADWP suggests revising Section 1393.1 (c) to only include language that refers to PCL information provided by the retail supplier. Specifically, LADWP suggests moving the unspecified power annotation provisions under Sections 1393.1 (c)(1)(J)(i) and (c)(1)(J)(ii) to a new subsection under Section 1393.1 (a). LADWP also suggests deleting “California total statewide retail electricity sales” from Sections 1393.1 (c)(1) and (c)(3) since the regulatory requirements for this PCL information are sufficiently conveyed in Commission Staff’s proposed language for Section 1393.1 (a)(3).

LADWP also suggests revising Sections 1393.1 (c)(1) and (c)(3) to clarify the intended implementation timeline for total power content information on the PCL. The language proposed in these sections do not include the January 1, 2026, implementation date that is established in Section 1393.1 (c). As such, Sections 1393.1 (c)(1) and (c)(3) could be misinterpreted as requiring the PCL to include this information prior to the implementation date. To ensure that the implementation timeline is unambiguous, LADWP suggests removing “total power content” from Sections 1393.1 (c)(1) and (c)(3). The language proposed by Commission Staff in Section 1393.1 (c) sufficiently conveys both the required information and the intended implementation date.

Lastly, LADWP suggests revising Sections 1393.1 (c)(1) and (c)(3) to clarify whether California statewide total retail sales or California total loss-adjusted load will be included in the PCL after January 1, 2026. Sections 1393.1 (c)(1) and (c)(3) require the PCL to include “California total statewide retail electricity sales”, but they do not specify that the PCL will instead include “California total statewide loss-adjusted load” after January 1, 2026. As

such, Sections 1393.1 (c)(1) and (c)(3) are inconsistent with Section 1393.1 (a)(3). To ensure that the final adopted regulations implement Commission Staff’s intended changes to the PCL, LADWP suggests removing “California total statewide retail electricity sales” from Sections 1393.1 (c)(1) and (c)(3). Commission Staff’s proposed language in Section 1393.1 (a)(3) sufficiently conveys the implementation timeline for this PCL information.

Therefore, LADWP recommends revising Section 1393.1 to read as follows:

“(a) Pursuant to Section 398.4 of the Public Utilities Code...

... (3) The Energy Commission shall provide fuel mix and GHG emissions intensity of California’s total statewide retail electricity sales for inclusion on the power content label. Beginning January 1, 2026, the Energy Commission shall instead provide the fuel mix and GHG emissions intensity of California’s total loss-adjusted load for inclusion on the power content label.

(4) The Energy Commission shall annotate the display of unspecified power on the power content label to identify whether the unspecified power was provided primarily by either “Fossil Fuels” or “Renewables and Zero Carbon Resources” as those groups are described in 1393.1(c)(2), whichever group was greater for the previous year. Beginning in 2026, the annotation of unspecified power shall include the percentage of unspecified power provided by either “Fossil Fuels” or “Renewables and Zero Carbon Resources” as those groups are described in 1393.1(c)(2), whichever group was greater for the previous year....

... (c) Each retail supplier shall disclose the following information for all electricity portfolios it offers, except for custom electricity portfolios, on a single power content label. Beginning January 1, 2026, each retail supplier shall also include the following information for its total power content.

(1) Fuel mix information of each electricity portfolio, ~~total power content, and of California total statewide retail electricity sales~~ shall be provided using the following fuel type categories listed in this subdivision...

... (J) Unspecified Power

(i) ~~The display of unspecified power on the power content label shall be annotated to identify whether the unspecified power was provided primarily by either “Fossil Fuels” or “Renewables and Zero Carbon Resources” as those groups are described in 1393.1(c)(2), whichever group was greater for the previous year.~~

(ii) ~~Beginning in 2026, the annotation of unspecified power shall include the percentage of unspecified power provided by either “Fossil Fuels” or “Renewables and Zero Carbon Resources” as those groups are described in 1393.1(c)(2), whichever group was greater for the previous year....~~

... (3) GHG emissions intensity of each electricity portfolio ~~of total power content, and of California total statewide retail electricity sales~~ in accordance with the calculation method provided in section 1392(b), expressed in pounds of CO₂e per megawatt hour.”

CONCLUSION

LADWP appreciates the opportunity to participate in this rulemaking process and looks forward to working with the Commission to help shape appropriate and effective regulations that will benefit the health, safety, and security of all California residents. If you have any questions, please contact Silvia Lozano at (213) 367-0787 or Alex Geronilla at (213) 367-8082.

Dated: November 19, 2024

Respectfully Submitted,

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