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Comments on Docket 21-OIR-01 Rulemaking to Amend Power Source Disclosure Program

Attached are my Comments on Docket: 21-OIR-01 Rulemaking to Amend Regulations Governing the Power Source Disclosure Program

Additional submitted attachment is included below.

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Comments on Docket: 21-OIR-01 Rulemaking to Amend Regulations Governing the Power Source Disclosure Program

While highly appreciative of the number of changes made to the proposed regulations, additional clarity or modifications are needed to address the following.

The Loss-Factor Calculation Needs to Adjust for Differences in a Retail Seller's Load as well as Resources

The previous version of the proposed regulations allowed retail sellers to develop alternative transmission and distribution loss factors to reflect their unique load and resource profiles. The latest version adds an unnecessary qualifier that these alternative loss factors only apply “for any specified resource.” (proposed Section `1392(a)(8)(C)).

This change overlooks that a retail seller's loss factor is also influenced by the voltage levels that its customers take service from (i.e. transmission vs, distribution). As noted in the IEPR and in the comments of the San Francisco Public Utilities Commission (SFPUC) load served at transmission level has a loss factor only 1/3rd that of load served at distribution level.¹ Allowing the use of different loss factors is, as noted by the SFPUC is;

Consistent with the CEC's goals expressed in the I SOR for “leveraging existing data” and ensuring that reported loss data “is accurate and reliable.”²

Additionally, the proposed regulation ignores, and might not allow, many retail sellers to use the transmission and distribution loss factors set by them through federally approved wholesale distribution tariffs (WDTs).³ Once again this is inconsistent with the ISOR's goal of leveraging existing data, ensuring accuracy and reliability, as well as creating a potential conflict with federal tariffs.

¹ **See** Comments of the San Francisco Public Utilities Commission (SFPUC) filed on July 3, 2024 in this docket (p. 5,6)

² Ibid.

³ Ibid.

The proposed regulation should be changed to better reflect cost causation and ensure consistency with federal tariffs.

Generators need to report generation from “Emerging Technologies”

While the regulations add a new energy category (“Emerging Technologies”) to the Power Content Label (proposed Section 1393.1(c)(1)(K)) there is no corresponding change to the reporting obligation of generators to provide the necessary data. This new category needs to be added to the generator’s reporting obligations in Section 1391.1(b)(3)(C).

The treatment of “null power” in the regulations is still unclear

The proposed regulations continue to state that for the “unspecified power” portion of a retail seller’s electricity portfolio its;

Annual purchases of unspecified power shall be calculated as the difference between a retail supplier’s loss-adjusted load and the sum of its specified purchases, minus any specified resales. (Proposed Section 1392(b)(2))

For its hourly GHG emission calculation, the regulation proposes that;

Total net procurement for each hour shall be calculated by deducting specified resales from gross specified purchases, then adding storage discharging and unspecified power for that hour. (Proposed Section 1392(c)(2)).

The problem with both of these approaches is their failure to address the issue of “null power” where a retail seller may acquire a renewable (or GHG-free) resource, sell off the underlying energy and keep the associated renewable energy credit (REC) or GHG-free attribute. As this type of sale is not a “specified resale”, there is no adjustment in these approaches to remove these null sales from a retail seller’s calculation of its GHG intensity. This leads to numerous problems including understating a retail seller’s GHG intensity and distorting the calculation of unspecified power.⁴

One potential solution to this problem is the proposed regulation’s requirement that;

“Electricity Portfolio” means the electricity products that a retail supplier offers to sell to consumers in California under terms and conditions specific to an offer or to a tariff. (Proposed Section 1391).

In the case of “null sales” of power by a retail seller, these resources are not being used to serve a retail seller’s customer and thus are not part of the “electricity portfolio” used to calculate a retail seller’s GHG emissions. The interaction between this requirement and the regulation’s proposed calculation methodologies needs to be made more explicit.

⁴ See SFPUC Comments, p. 10-13.

