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May 31, 2011

California Energy Commission
 RE: **Docket No. 2010-PSDR-01**
 Docket Unit, MS-4
 1516 Ninth Street
 Sacramento, CA 95814-5504

Also sent via e-mail: docket@energy.state.ca.us

RE: COMMENTS ON THE CALIFORNIA ENERGY COMMISSION'S (CEC'S)
 POWER SOURCE DISCLOSURE (PSD) PROGRAM DRAFT REGULATIONS

DOCKET: 2010-PSDR-01

Thank you for the opportunity to comment on the CEC staff's proposal to update the Power Source Disclosure ("PSD") form to provide more consistent information regarding California's sources of electricity supplies. The San Francisco Public Utilities Commission (SFPUC) offers the following comments and suggestions to make the proposed forms more useful and informative for consumers in evaluating their electric options. To assist your review, we have provided templates of proposed and potential revisions to the PSD forms.

Please feel free to contact us with any questions.

I. Definitions

A. Definition of "Specific Purchase" (Section 1391(v), p. 5).¹

Public Utilities (PU) Code Section 398.2 contains specific definitions for the PSD program. Section 398.2 includes as the final sentence in the definition of "specific purchase" the following sentence:

Retail suppliers may rely on annual data to meet this requirement, rather than hour-by-hour matching of loads and resources.

The CEC's proposed definition excludes this final sentence. To ensure consistency with Section 398.2, this language should be added to the CEC's definition of Specific Purchase.

B. RPS-Eligible Renewables and Non-RPS Eligible Renewables (Section 1392(b)(3)(C), p. 7).

With respect to disclosures by retail suppliers to customers, the draft regulations propose to eliminate the qualifier "eligible" from the term "eligible renewable energy resources." The revised regulations would just say "renewable" and list only RPS-eligible renewable resources. However, Public Utilities Code Section 398.4 specifically refers to listing "eligible renewables" in the disclosure to customers.

The SFPUC recommends keeping the qualifier "eligible" to promote better consistency with Section 398.4. We understand that the current use of the term "eligible renewable" may create confusion for customers because the PSD form does not specify for what the renewable energy is "eligible." To address this concern, the

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- Ed Harrington**
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¹ All references are to the CEC's April 2011 Second Draft to the regulations.

SFPUC recommends changing the term "eligible renewable energy resource" to "Renewable – RPS Eligible."

In addition, the SFPUC recommends that the CEC should use the discretion given it by Section 398.4 to create additional categories, and create a category "Renewable – Non-RPS Eligible." Providing information that identifies both RPS-eligible and other renewable resources will result in better information for customers.

See Proposed Form #1, attached.

II. **The RPS compliance status of a retail seller as shown on the publicly available PSD form may understate the retail seller's actual RPS compliance status as reported to the CEC.**

The proposed reporting requirements appear to overlook the role that RECs can play as one of the compliance mechanisms for California's retail sellers and POUs to meet their RPS goals. This results in a mismatch between RPS-eligible content the public will see on the PSD form and RPS-eligible content for purposes of RPS compliance, and could result in customer confusion and questions from consumers regarding the renewable content of their power supplies, and how and to what extent their suppliers are meeting their RPS goals. Accordingly, the SFPUC recommends that the Commission should develop an approach for reporting REC purchases in the power content label for consumers, and more generally, an approach for including all RPS-eligible products in the power content label, including firmed and shaped products. Finally, the term "null power" should be defined.

A. Unbundled RECs Should be Listed Separately on the PSD Form.

The CEC's discretion on applying RECs to the various energy categories defined in AB162 (and its predecessor – SB1305) may be limited. Both pieces of legislation pre-date the use of RECs for RPS compliance and are focused on tracking that "the electricity source claimed has been sold once and only once to a retail customer."² This is a different requirement from tracking the electricity source's "environmental attributes" as RECs are defined in state law.

One option to address the above problem would be to list unbundled RECs as a separate line item on the PSD form.

Proposed Form #2, attached, shows how the use of unbundled RECs could be incorporated into the PSD form in this manner.

B. Renewable energy that is "firmed and shaped" should be included in the applicable RPS-technology on the PSD forms.

SBX1-2 includes renewable energy from a RPS facility that is "firmed and shaped" as RPS-eligible. This builds off of previous CEC determinations regarding RPS-eligibility. The SFPUC recommends that this RPS-eligible renewable energy be shown on the publicly-available PSD forms as coming from the applicable RPS technology that is providing the power.

C. The term "null power" should be defined (Section 1394(2)(a), p. 23).

For those cases where a retail seller purchases only the energy output and not the REC attributes of a renewable energy source, the regulations state that this power will be treated as "null power." The term "null power" should be defined within the regulation or at least cross-referenced to other reporting requirements.³ It appears that

² Public Utilities Code 398.2(c)

³ For example, ARB's *Instructional Guidance for Mandatory GHG Emissions Reporting*

this energy is to be reported on the PSD disclosure forms as an “unspecified source of power” but this should be clarified in the regulations.

III. Consider Expanding the PSD Form to Include Additional Information

Finally, the SFPUC notes that the Power Source Disclosure requirements and the Power Content Label are a valuable tool for assuring consistent reporting across power providers and for informing customers about the sources and content of the electricity they consume. Going forward, it may be advisable to include additional information to show, for example, subtotals for RPS-eligible and overall renewable content (as shown on attached Forms #1 and #2), to provide an easily-understandable “scorecard” of the RPS-compliance status of each retail seller, and/or more generally, to include a description of the RPS program requirements within the PSD form and the Power Content Label.

Further, the SFPUC notes that provision of consistent and reliable consumer information regarding the Greenhouse Gas (GHG) content of electricity supplies is becoming increasingly important, particularly as California continues its efforts to implement AB 32 and to achieve the state’s Greenhouse Gas (GHG) reduction targets. The PSD reporting tool could be a ready vehicle for reporting the GHG content of electricity supplies, for example, by adding an additional line to the PSD forms to show the percent of electricity supplies delivered from GHG-free resources as defined by the California Air Resources Board.

The San Francisco Public Utilities Commission appreciates the opportunity to submit these comments.

Sincerely,

/s/

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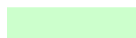

ATTACHMENTS (PROPOSED AND SUGGESTED MODIFICATIONS TO PSD FORM)

PROPOSED FORM #1

PROPOSED POWER CONTENT LABEL FOR PUBLICLY OWNED UTILITIES
as required under PU Code 387(b)(2)
CEC discretion to apply to other retail sellers

POWER CONTENT LABEL

ENERGY RESOURCE	PRODUCT NAME	2009 CA POWER MIX
RENEWABLES (RPS-ELIGIBLE)		
Biomass		5%
Geothermal		5%
Eligible Hydroelectric		5%
Solar		5%
Wind		5%
Other Renewable		0%
RENEWABLES (NON-RPS ELIGIBLE)		
Large Hydroelectric		25%
COAL		0%
NATURAL GAS		25%
NUCLEAR		25%
UNSPECIFIED SOURCES OF POWER		0%
TOTALS		100%
RPS-ELIGIBLE RENEWABLES		25%
RENEWABLES (ALL SOURCES)		50%

 These areas will change yearly
 Proposed Change from current version

PROPOSED FORM #2

PROPOSED POWER CONTENT LABEL SHOWING RPS COMPLIANCE AND USE OF RECS

POWER CONTENT LABEL

ENERGY RESOURCE	PRODUCT NAME	2009 CA POWER MIX
RENEWABLES (RPS-ELIGIBLE)		
Biomass		5%
Geothermal		5%
Eligible Hydroelectric		5%
Solar		5%
Wind		5%
Other Renewable		0%
RENEWABLES (NON-RPS ELIGIBLE)		
Large Hydroelectric		25%
COAL		0%
NATURAL GAS		25%
NUCLEAR		25%
UNSPECIFIED SOURCES OF POWER		0%
RENEWABLE ENERGY CREDITS	10%	
TOTALS		100%
RPS-ELIGIBLE RENEWABLES AND RECS		35%
RENEWABLES (ALL SOURCES)		60%

These areas will change yearly
 Proposed Change from previous version