

**BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the matter of, )  
 )  
Developing Regulations for Power Source )  
Disclosure Program )  
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Docket No. 2010-PDSR-01

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<b>10-PDSR-1</b>	
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**SOUTHERN CALIFORNIA EDISON COMPANY'S COMMENTS ON THE POWER  
SOURCE DISCLOSURE PROGRAM PRE-RULEMAKING DRAFT REGULATIONS  
SECOND DRAFT**

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Dated: May 31, 2011

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Southern California Edison Company (“SCE”) respectfully offers these comments on the California Energy Commission (“CEC”) staff’s Power Source Disclosure Program Pre-Rulemaking Draft Regulations Second Draft (“Draft Regulations”). SCE generally supports the Draft Regulations, but recommends certain revisions to the Draft Regulations as discussed below.

**A. Section 1393 of the Draft Regulations Should be Revised**

Section 1393(c)(1)(C) of the Draft Regulations suggests that if a retail supplier’s total specified purchases, which includes renewables, exceeds its retail load, then there would be a pro-rata reduction in the renewables portion of its reported purchases. It appears that this section is attempting to address a situation where a retail supplier has bought or produced more than 100% of its load. However, the impact of performing such a pro-rata reduction is that the renewable percentage of the retail supplier’s portfolio is improperly reduced, which would be misleading and inappropriate.

A retail supplier is loading its portfolio in a particular order for a reason. The retail supplier is buying renewable resources to meet renewable requirements, not to sell off that renewable power. Therefore, SCE recommends that if a retail supplier’s purchases/production exceed 100% of its load, the system power should be removed first. If the retail supplier’s

purchases/production still exceed 100% of its load, then resources should be removed in reverse of the Energy Action Plan loading order (i.e., conventional coal/gas/nuclear/hydro and then renewable). SCE suggests that the CEC modify Section 1393(c)(1)(C) as follows:

For each electricity product, the percentage of each fuel type category or subcategory that is specified shall be calculated by dividing net purchases of each fuel type by total retail sales. If the specified purchases plus the unspecified purchases exceed 100% of load, then reduce by the amount of the unspecified purchases. If the specified purchases are still in excess of load, then remove in reverse Energy Action Plan loading order (i.e., conventional coal/gas/nuclear/hydro and then renewable). ~~If total net purchases differ from total retail sales, a ratio for the difference between total net purchases and total retail sales shall be applied to each fuel type category or subcategory, then the product divided by total retail sales, as shown by the following formula:  $[(\text{total retail sales}/\text{total net purchases})(\text{purchases for specific fuel type category})]/(\text{total retail sales})$ .~~

**B. The Draft Regulations Should be Modified to Reflect the Passage of Senate Bill X1 2**

On April 12, 2011, Senate Bill X1 2, which modified the State’s Renewables Portfolio Standard (“RPS”) legislation, was signed into law. The Draft Regulations should be revised to be consistent with Senate Bill X1 2. For example, Section 1391(d) of the Draft Regulations refers to Public Utilities Code Section 387 in the definition of “Other renewable energy resources.” However, Section 387 was repealed in Senate Bill X1 2.<sup>1</sup>

Additionally, Section 1391(l) of the Draft Regulations defines “Large hydroelectric” as a hydroelectric facility with a sum capacity exceeding 30 megawatts (“MW”). Senate Bill X1 2 defines small hydroelectric generation for purposes of the RPS to include some resources with a capacity of up to 40 MW.<sup>2</sup> Therefore, the definition of “Large hydroelectric” may need to be modified to reflect this change in law.

Section 1391(b)(3) of the Draft Regulations changes the definition of “Small hydroelectric” to “Eligible hydroelectric” and provides that it “has the same definition as ‘small hydroelectric’ in the Renewable Energy Program Overall Program Guidebook.” Accordingly,

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<sup>1</sup> See Senate Bill X1 2, Section 12.

<sup>2</sup> See Senate Bill X1 2, Cal. Pub. Util. Code § 399.12(e)(1)(A).

one solution to modify the definition of “Large hydroelectric” in the Draft Regulations would be modifying the definition to state that:

“Large hydroelectric” means a hydroelectric facility that does not meet the definition of “Eligible hydroelectric” in subdivision (b)(3) of section 1391 of this chapter.

**C. Conclusion**

For all the foregoing reasons, SCE urges the CEC to make the revisions suggested above to the Draft Regulations.

Respectfully submitted,

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