

Wade McCartney
California Air Resources Board

2013/11/13

RE: Amendments to the Regulation For The Mandatory Reporting of Greenhouse Gases

TransAlta appreciates the opportunity to comment on the proposed amendments to the *Regulation For The Mandatory Reporting of Greenhouse Gases*. Our comments below focus only on the requirements for reporting by electric power entities. TransAlta supports many of the proposed amendments, suggested by staff in the latest draft of regulations sent to the Board, during the October 25th public hearing. Specifically we are encouraged to see two commitments made by staff in the public notice released on October 28th. These commitments are:

- 1) That staff, in response to stakeholder comments, intends to issue revised statements in the Final Statement of Reasons to effectively withdraw the seller control interpretation for asset controlling suppliers associated with section 95111(a)(5)(B). This change will help to ensure electric power entities know how to effectively report their purchases of asset controlling supplier power, and;
- 2) That staff acknowledges in the public notice that amendments were made to section 95111, to ensure consistent reporting with previous reporting years.

The modifications provided by the amendments and clarified by the public notice imply that ACS power, will be considered as a specified source, if the power is directly delivered along a single transmission path which identifies the asset-controlling supplier on the physical path of the NERC e-Tag as the PSE at the first point of receipt. This is consistent with reporting requirements in previous years, and something that TransAlta supports.

Though we welcome this change, our interpretation of these regulations differs from what we have heard publically from ARB in previous public statements. Specifically, we previously understood, prior to this release, that to purchase and claim a specified ACS source, the power must be accompanied with a written power contract, which is contingent upon delivery of power from the asset-controlling supplier's system at the time the transaction is executed. This previous guidance implies that specified source transactions would include bilateral transactions, but exclude ICE trades. In contrast however, this new regulatory language included in the draft reads similar to previous reporting years, in which all ACS sourced power is to be reported separately as a specified source, if delivered appropriately.

TransAlta welcomes these new amendments, but would appreciate ARB issuing further guidance on ACS transactions, specifically clarity related to energy supplied by the Bonneville Power Administration, to ensure consistency in the verification across the power market.

Further, TransAlta also encourages ARB to clarify five additional issues:

1. TransAlta requests ARB to make clarifications which explicitly acknowledge that a power trade which occurs when one version of the MRR is in place should be verified under those regulatory requirements, and not the regulations in effect at the time of first delivery, while confirming that no regulations should be applied retroactively.
2. TransAlta requests ARB to clarify who is eligible to be the first seller of a specified source in the market path, by altering the specified source definition as follows: (432) *“Specified source of electricity” or “specified source” means a facility or unit which is permitted to be claimed as the source of electricity delivered. The reporting entity must be a Generation Providing Entity of the source or have either full or partial ownership in the facility/unit, or have a written power contract to procure electricity generated by that facility/unit. Specified facilities/units include cogeneration systems. Specified source also means electricity procured from an asset-controlling supplier recognized by the ARB.*
3. TransAlta requests that ARB clarifies whether or not it is permissible to convert an unspecified power transaction conducted via a broker or exchange, into a specified source transaction.
4. TransAlta requests that ARB clarifies the verification requirements necessary to meet the reasonable level of assurance required for the verification of a specified source transaction. Particularly, TransAlta would like clarification on whether supporting details such as calibration records, maintenance schedules, or information on system controls, must accompany meter data. It is our understanding from ARB public comments, that meter data alone is sufficient to satisfy the regulations, but would appreciate a guidance document to address this issue, to ensure consistency in verification across the industry.
5. TransAlta requests that ARB updates their training materials for verifiers to align with the recent regulatory changes. TransAlta requests that ARB make this material publicly available well in advance of the 2014 reporting deadline.

Braydon Boulanger

TransAlta Energy Marketing
Braydon_Boulanger@transalta.com
P: (403) 267-5833 | C: (403) 828-1586