



## Department of Energy

Bonneville Power Administration  
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POWER SERVICES

December 5, 2007

In reply refer to:

Ms. Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Subject: Comments on Proposed Regulation for Mandatory Reporting of Greenhouse Gas Emissions

Dear Ms. Nichols:

Bonneville Power Administration (BPA) submits the enclosed comments on the Air Resources Board's (Board) proposed Regulation for Mandatory Reporting of Greenhouse Gas (GHG) Emissions. We appreciate the opportunity to participate in the rulemaking process, and support the goals of reducing greenhouse gases and taking action to reduce the impacts of climate change.

BPA is fortunate to market electric power from the carbon-free Federal Columbia River Power System, and hopes that its GHG-free power will be recognized as such in the greenhouse gas reporting process. We urge the Board to make use of actual emissions data to the fullest extent practicable, and apply default emissions factors sparingly. In the eventual carbon regulation regime, accurate accounting for carbon emissions will help to ensure that emission permits and caps are applied where they will effectively influence emitters to reduce GHG emissions.

Additional comments are provided in the attachment. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Allen Burns".

Allen Burns  
Vice President, Bulk Marketing

cc:  
Paul Norman  
Greg Delwiche  
Steve Oliver

Bonneville Power Administration Comments on  
California Air Resources Board Proposed Regulation  
for Mandatory Reporting of Greenhouse Gas Emissions

We appreciate the opportunity to participate in the review of the Air Resources Board's proposed regulation, and are grateful for those provisions that help facilitate BPA's potential participation in the proposed reporting program. We hope that our comments will help the Board to make adjustments in the program to achieve greater accuracy in reporting on greenhouse gas emissions from electric power resources.

BPA is a federal agency that markets the power generated by the Federal Columbia River Power System (the FCRPS), which includes 31 federal dams, one nonfederal nuclear plant at Hanford, Wash., and some nonfederal power plants, such as wind projects, none of which emit CO<sub>2</sub>. BPA provides about half the electricity used in the Northwest and operates over three-fourths of the region's high-voltage transmission. BPA recovers all of its costs through sales of electricity and transmission. FCRPS power that is not needed in the Pacific Northwest may be sold to other regions, including California.

General comments:

It appears that BPA would not be required to report emissions under the proposed regulation, due to the absence of retail loads in California and its established practice of limiting transactions with California entities to delivery at the California-Oregon border. BPA may report voluntarily as an operator for the purpose of obtaining a supplier-specific identification from the Board establishing the emissions factor for power deliveries from the FCRPS. This supplier-specific ID would enable those entities purchasing power from BPA to report the actual emissions from FCRPS generation instead of the assumed emissions based on the default emissions factor, which would be much higher than the actual emissions of the federal system.

BPA currently makes annual reports of its mix of power resources to the California Energy Commission under the Power Source Disclosure Program. Since the information going to that program is closely related to greenhouse gas reporting, it would be efficient if reports from the electricity sector to the CARB and the CEC could be coordinated or consolidated. We encourage the Board and the Commission to work toward a single reporting process for both programs.

BPA is concerned that, for transactions not covered by a supplier-specific ID, the proposed regulation could lead to overstatement of emissions of greenhouse gases attributable to PNW sales to California, through the combined effect of identifying imports as unspecified and the adoption of a West-wide default emissions factor of 1100 lb. CO<sub>2</sub> equivalent per MWh. These two assumptions should only be applied where they are truly necessary, and not to a known system like BPA's. BPA supports designing the regulation to achieve the greatest practicable accuracy in data on emissions.

Specific comments:

95102 Definitions.

95102 (a) (183); definition of “Unspecified source” –

The proposed regulation specifically identifies federal power agencies among potential suppliers of power from unspecified sources that are to be assigned a default emissions factor. BPA is concerned that power from a known fleet of resources, such as the CO<sub>2</sub>-free FCRPS, should be recognized for the actual greenhouse gas emissions of those known resources and not be presumed to produce GHG at the default rate applied to unspecified resources that cannot be identified. BPA, as a federal power marketing administration, markets power from specific sets of generating facilities, and therefore is not a valid example of sellers from unspecified sources of power.

95111 Data requirements for electric generating facilities, retail providers, and marketers.

95111 (a) (6) – Supplier-specific ID.

This term allows asset owning/controlling suppliers to purchase up to 10% of the power they sell and remain eligible for supplier-specific IDs. Data reporting is required on each generating facility.

It is not clear why 10% or more of power purchases should disqualify a supplier from being assigned a supplier-specific ID, or result in application of default emissions factors to a system's entire output. BPA annual reports to the CEC under the Power Source Disclosure Program show more than 10% purchases in some years. Historically, a 5-year rolling average of BPA's purchases would be under 10%, but future purchases may increase for such purposes as serving load growth.

The supplier-specific emissions factor should be calculated using emissions data on all specified sources included in the supplier's sales and applying the default factor only to the remainder, regardless of the percentage of specified or unspecified purchases. This approach would be consistent with the principle to use specific data wherever practicable.

95111 (b) (2) (C) – Region of origin of imports from unspecified sources.

This term provides that E-tags be used to document the region of origin of imports from unspecified sources. Since many E-tags identify specific generators or systems as sources for transactions, the regulation should allow entities to report greenhouse gas emissions from specific power resources identified in E-tags rather than report those transactions as unspecified.

## Attachment C, Interim Emissions Attribution Methods for the Electricity Sector

### 4.2.1. Default Emission factor for Power Purchased from Unspecified Sources –

This method sets transmission losses for imports at 7.5 percent. This value appears high, in comparison, for example, to the real power loss factors in Schedule 9 of BPA's Open Access Transmission Tariff, which set a network loss factor of 1.9 percent, a utility distribution loss factor of 0.6 percent, and a Southern Intertie loss factor of 3.0 percent, for a total of 5.5 percent. Where the loss factor is established by a posted OATT, this value should be used rather than a default 7.5%.