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August 11, 2011

Mr. Doug Thompson
Manager of Climate Change Reporting Section
Air Resources Board
1001 I Street,
Sacramento, CA 95814

Dear Mr. Thompson:

Subject: Los Angeles Department of Water and Power Comments on the July 25, 2011 Proposed Modifications to the "Regulation for the Mandatory Reporting of Greenhouse Gas Emissions"

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments on the proposed modifications to the California Air Resources Board (ARB) "Regulation for the Mandatory Reporting of Greenhouse Gas Emissions" (MRR) that were released on July 25, 2011, for a 15-day public review and comment period.

The MRR is the foundation for the AB 32 program. Data collected under the MRR will be used for the statewide greenhouse gas (GHG) emissions inventory (to measure the state's progress towards the AB 32 goal of reducing GHG emissions to 1990 levels by 2020), and to determine each regulated entity's compliance obligation under other AB 32 regulations such as the "AB 32 Cost of Implementation Fee Regulation" and the "California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation" (Cap-and-Trade Regulation). Given the vital role of the MRR in AB 32 program compliance, transparency and accuracy in the MRR are essential. Furthermore, the relationship between information collected under the MRR and the compliance requirements of the Cap-and-Trade Regulation should be transparent to enable regulated entities to understand how the reported data will be used to determine their compliance obligation under the Cap-and-Trade Regulation.

The proposed modifications to the MRR released on July 25, 2011, for 15-day public review and comment include a number of significant changes and new reporting requirements related to the Cap-and-Trade Regulation that are complex and need further discussion and clarification.

LADWP encourages ARB to hold additional public workshops and stakeholder meetings to discuss the new reporting requirements, and to clarify the intent of and relationship between the new requirements added to the MRR and the Cap-and-Trade Regulation. Public workshops are an important part of the rulemaking process as they provide the opportunity for valuable stakeholder input and feedback and to identify potential operational impacts and unintended consequences. Some of the modifications added to support the cap-and-trade program are entirely new concepts which were not discussed and vetted with stakeholders in previous workshops. There has been only one public workshop this year (July 15, 2011) to introduce the proposed 15-day modifications; however, this workshop was more of an overview rather than the in-depth explanation and discussion needed to fully understand the proposed modifications.

LADWP reviewed the proposed modifications to the MRR released on July 25, 2011, from an implementation perspective and tried to "put the puzzle pieces together" to understand how the modifications to the MRR relate to the Cap-and-Trade Regulation. We have compiled a list of clarifying questions and technical comments which are enclosed for your consideration.

Our main concerns with the proposed modifications to the MRR are summarized below:

1. Replacement Electricity: We are concerned about the proposed restriction in the definition of "replacement electricity" that the replacement power must originate from the same balancing authority area as the renewable generating resource it replaces. This new restriction may result in a number of adverse impacts, including the potential to assign a Cap-and-Trade compliance obligation to renewable energy if the replacement electricity does not come from the same balancing authority. Utilities have existing contracts that do not require replacement electricity to come from the same balancing authority area. This proposed restriction may discourage future development of renewable generating facilities in regions with limited transmission capacity. In addition, the proposed modification to report electricity purchased from variable renewable resources and replacement electricity delivered separately is unclear and inconsistent with reporting of imports from other specified sources.

2. Qualified Exports: It is unclear whether emissions for qualified exports should be netted against imports on an hourly or annual basis. Hourly calculations would be data intensive, prone to calculation errors, and difficult to verify, and would not provide the data needed to plug into the equation in 95111(b)(5). Clarification is needed as to how qualified export emissions are to be reported and netted out.

3. Reporting of Facility Energy Inputs and Outputs: The proposed new facility energy input and output reporting requirements may be difficult to comply with for power plants operated by vertically integrated utilities, especially when adjacent receiving stations are considered to be within the facility boundary. We request that ARB consider limiting the facility boundary to just the generating station itself for purposes of reporting the facility energy input and output. This should avoid the need to install additional meters which otherwise would not be needed except for this reporting requirement.

4. Enforcement: We appreciate the changes ARB has made to the enforcement language, but still have several concerns that have not been fully addressed. We have included suggested additional mark-ups to the enforcement language for your consideration.

Thank you for your consideration of these comments. LADWP would like to work with ARB staff to address and resolve these concerns, and requests that ARB schedule a stakeholder meeting in the near future to discuss the electricity sector reporting requirements.

If you have any questions, please contact Ms. Cindy Parsons of my staff at (213) 367-0636.

Sincerely,

Mark J. Sedlacek
Director of Environmental Affairs

CSP:lr
Attachment
c: Ms. Cindy S. Parsons

Los Angeles Department of Water and Power
Clarifying Questions and Technical Comments on the
July 25, 2011 Proposed Modifications to the
"Regulation for the Mandatory Reporting of Greenhouse Gas Emissions"

<u>§ 95102 Definitions</u>

Definition (72): The definition of "Cogeneration" should be clarified to state that combined cycle electric generating units are not included.

Definition (72) "Cogeneration" includes the following example

> *"…Some examples of cogeneration include: (a) a gas turbine or reciprocating engine generating electricity by combusting fuel, which then uses a heat recovery unit to capture useful heat from the exhaust stream of the turbine or engine;…"*

This example could be interpreted as describing a combined cycle electricity generating unit. To avoid uncertainty, we recommend this definition be clarified to state that combined cycle electricity generating units are not considered cogeneration units.

Definition (318): The definition of Qualified Exports should describe the type of exports that qualify; definitions should not include prescriptive calculation and documentation requirements.

Definition (318) should describe what qualifies as a Qualified Export, but should not include prescriptive calculation requirements such as *"Emissions associated with qualified exports may be subtracted from the associated imports. Qualified exports shall not result in a negative compliance obligation for any hour"*. Emissions calculation requirements belong in section 95111 of the regulation, not in the definitions.

In addition, documentation should not be limited to NERC e-tags. Section 95111(a)(10) *Verification Documentation* allows various types of documentation (NERC e-tags, contracts, settlement data, or other information) to confirm electricity procurements and deliveries. All types of documentation should be allowed.

Therefore, we recommend the following changes to the definition of Qualified Exports:

(318)	"Qualified exports" means emissions associated with electricity that is exported in the same hour as imported electricity ~~and documented by NERC E-tags~~. Only electricity exported within the same hour and by the same PSE as the imported electricity is a qualified export. It is not necessary for the imported and exported electricity to enter or leave California at the same intertie. ~~Emissions associated with qualified exports may be subtracted from the associated imports. Qualified exports shall not result in a negative compliance obligation for any hour.~~

Definition (336): The definition of Replacement Electricity should not limit the origin of replacement electricity to the same balancing authority area as the renewable generating facility.

Definition (336) *Replacement Electricity* includes the following sentence: *"The physical location of the variable renewable energy facility busbar and the first point of receipt on the NERC E-tag for the replacement electricity must be located in the same balancing authority area".*

The emission factor for unspecified electricity is the same (0.428 MT CO2e/MWh) regardless of which region the electricity originates from. If the replacement electricity is "unspecified", the reported emissions will be the same regardless of whether it originates from the same balancing authority area or elsewhere within the WECC. If the replacement electricity is "specified", the reported emissions will be based on the emission factor for the specified source. Therefore, it makes no difference whether or not the replacement electricity originates from the same balancing authority area as the renewable generation it replaces.

If replacement electricity does not originate from the same balancing authority area as the renewable generating facility, does that mean emissions for the replacement electricity cannot be subtracted out in 95111(b)(5) *Calculation of covered emissions for compliance obligation under Cap-and-Trade Regulation*, and in effect, the renewable electricity is not recognized as zero compliance obligation under the cap-and-trade regulation? Utilities have existing contracts that do not require replacement electricity to originate from the same balancing authority area as the renewable generation it is replacing. Will existing contracts be grandfathered in?

Restricting the origin of replacement electricity to the same balancing authority area as the renewable energy generating facility could result in a cap-and-trade emissions compliance obligation being imposed on renewable energy imports if the replacement electricity does not comply with this requirement. Other potential impacts include discouraging development of new renewable generating resources in regions where additional transmission capacity is not available.

To avoid these and other potential adverse impacts, the last sentence should be deleted from the definition of replacement electricity. In addition, replacement electricity may also be needed for non-variable renewable resources, and is delivered to satisfy scheduling requirements, not hourly load requirements. Therefore, we recommend the following changes to the definition of replacement electricity:

(336)	"Replacement electricity" means electricity delivered to a first point of delivery in California to replace electricity from ~~variable~~ renewable resources ~~in order to meet hourly load requirements~~. The electricity generated by the ~~variable~~ renewable energy facility and purchased by the first deliverer is not required to meet direct delivery requirements. ~~The physical location of the variable renewable energy facility busbar and the first point of receipt on the NERC E-tag for the replacement electricity must be located in the same balancing authority area.~~

Definition (354): The definition of "specified source" is too restrictive.

The revised definition of "specified source" requires that "*The electricity importer must have either full or partial ownership in the facility/unit or a written contract to procure electricity generated by that facility/unit.*" There are cases where renewable energy is imported into California by another entity on behalf of the entity that has the ownership in or contract with the generating facility.

Case in point: LADWP has an arrangement whereby electricity from a renewable generating facility is imported into California by another entity on our behalf, because LADWP does not have access to transmission capacity to import it ourselves. LADWP has a power purchase contract with the facility. However, the entity that imports the electricity on LADWP's behalf does not have a power purchase contract with the facility. The revised definition of "specified source" is too restrictive by requiring that the electricity importer must have the ownership or contract with the facility in order to report the electricity as a specified import. In this case, since the electricity importer does not have a power purchase contract with the facility, it would not qualify as a specified import for them. As a result, the importer would have to report unspecified electricity emissions (0.428 MT CO_2e/MWh) and incur a cap-and-trade compliance obligation for this renewable energy import, even though the renewable energy is being directly delivered into California (meets the definition of "direct delivery of electricity").

In order to prevent the assignment of unspecified electricity emissions to renewable energy from a specified California eligible renewable resource that is directly delivered into California through an intermediary, we suggest either reverting back to the original definition of "specified source", or amend the revised definition as follows. In addition, the definition should not be limited to electricity imports (electricity exports may be from a specified source).

> (354)~~(299)~~~~(180)~~ "Specified source of ~~power~~electricity" or "specified source" means a ~~particular generating unit or~~ facility ~~for which electrical generation can be confidently tracked due to~~or unit ~~which is permitted to be claimed as the source of imported electricity delivered by an electricity importer. The electricity importer must have either~~ to which the source of electricity can be confidently tracked due to full or partial ownership ~~or due to its identification in a power contract including any California eligible renewable resource~~in the facility/unit or a written contract to procure electricity generated by that facility/unit. Specified facilities/units include: cogeneration systems, and any California eligible renewable resource. Specified source also means electricity procured from an asset-controlling supplier recognized by the ARB.

§ 95104. Emissions Data Report Contents and Mechanism and § 95112. Electricity Generation and Cogeneration Units.

Complying with the new Facility Level Energy Input and Output reporting requirements could be problematic for some power plants.

The July 25, 2011 proposed modifications to section 95104(d) would require all facilities to report the following information:

(1) ***Electricity purchases or acquisition from sources outside of the facility boundary (MWh)*** *and the name and ARB identification number of each electricity provider, as applicable.*

(2) Thermal energy purchases or acquisitions from sources outside of the facility boundary (mmBtu) and the name and ARB identification number of each energy provider, as applicable. If the operator acquires thermal energy from a PURPA Qualifying Facility and vents, radiates, wastes, or discharges more than 10% of the acquired thermal energy before utilizing the energy in any industrial process, operation, or heating/cooling application, the operator must report the amount of thermal energy actually needed and utilized, in addition to the amount of thermal energy received from the provider.

(3) ***Electricity provided or sold****, as specified in section 95112(a)(4), if applicable.*

(4) Thermal energy provided or sold to entities outside of the facility boundary: the operator must report the amount of thermal energy provided or sold (mmBtu), the names and ARB identification number of each end-user as applicable, and the type of unit that generates the thermal energy. If section 95112 applies to the operator, the operator must follow the requirements of section 95112(a)(5) in reporting the thermal energy generated by cogeneration or bigeneration units, and if applicable, also separately report the information required in paragraph 95104(d)(4) for the thermal energy provided or sold that is not generated by cogeneration or bigeneration units,

This is a significant change relative to the original amendments (dated October 28, 2010) to this section, which only required facilities to report energy purchases (electricity and steam, heating and cooling).

(d) Energy Purchases. The operator must include in the emissions data report the facility's electricity purchases (kWh), and steam, heat, and cooling purchases (mmBtu), each by name and ARB identification number of the provider. The operator must report this information for the calendar year covered by the emissions data report, pro-rating purchases as necessary to include information for the full months of January and December.

The July 25, 2011 proposed modifications significantly expand this reporting requirement to include electricity "acquisitions" (which includes un-metered electricity provided to a facility), as well as electricity and thermal energy provided or sold. In addition, new requirements were added to section 95112 that will require electricity generating facilities to report the disposition of generated electricity at the facility level, broken down as follows:

(A) Generated electricity provided or sold to a retail provider or electricity marketer who distributes the electricity over the electric power grid for wholesale or retail customers of the grid. The operator must report the name of the retail provider or electricity marketer;

(B) Generated electricity provided or sold directly to particular end-users. A reportable end-user includes any entity, under the same or different operational control, that is not a part of the facility. Report each end-user's facility name, NAICS code, and ARB ID if applicable;

(C) If the facility includes industrial processes or operations that are neither in support of or a part of the power generation system, report the amount of generated electricity used by those on-site industrial processes or operations.

Power plants operated by vertically integrated utilities have no need to measure energy input and output at the facility boundary, since the generating units are interconnected with the utility's own transmission and distribution system. It may be difficult for these facilities to comply with the new expanded facility level energy input and output reporting requirements that were added as part of the July 25, 2011 proposed modifications, since they may not have meters of the appropriate type and quality in place to measure energy input and output at the facility boundary.

To complicate matters further, the boundary line for determining and reporting facility energy input and output and disposition of generated electricity includes all adjacent facilities under common ownership (based on the definition of "facility"). In some cases, receiving stations may be co-located with generating facilities, so the boundary for determining the facility input and output would include the receiving station.

LADWP requests that, for purposes of reporting facility energy input and output, that the facility boundary be limited to just the generating station (i.e. exclude adjacent facilities under common ownership). We believe this is a reasonable approach, considering that receiving stations are functionally different and have a different industry classification (NAICS) code. This limitation should enable generating stations to use existing generating unit meters to calculate the facility energy input and output. In the absence of this limitation, generating stations may need to install additional meters strictly for the purpose of collecting data needed to comply with this new reporting requirement.

If this proposed amendment is intended to apply retroactively to the 2011 emissions data report, ARB should consider delaying the implementation/effective date of this new reporting requirement to allow sufficient time for facilities to figure out what data is needed to comply and install additional metering if necessary to satisfy the reporting requirements.

§ 95107. Enforcement.

Enforcement issues which remain unresolved

In our December 2010 comments on the proposed modifications to the MRR, LADWP identified the following concerns with the proposed enforcement language.

1) A report that “contains information that is incomplete or inaccurate” would be subject to separate daily violations, but the MRR does not establish a standard for determining whether a report is incomplete or inaccurate. Since there is no standard or threshold for “incomplete or inaccurate”, even minor errors in a report that are identified and corrected during the verification process would be subject to daily violations and penalties.

2) “Each failure to measure, collect, record or preserve information needed for the calculation of emissions…constitutes a separate violation of this article”, even though the use of missing data substitution procedures is allowed under section 95129 of the MRR when equipment fails to measure or record data.

In the July 25, 2011 amendments, ARB made some changes to the enforcement language to address some of the issues (such as overlapping penalties per ton of emissions) raised by stakeholders. However, the issues listed above remain unresolved.

95107(a) the phrase “contains information that is incomplete or inaccurate” should be removed for the following reasons:

- There is no defined standard to determine whether a report is “incomplete or inaccurate”.
- The purpose of verification is to identify and correct any errors to ensure the reports are as accurate as possible, therefore corrections made to an emissions data report during the verification process should not be subject to penalties.
- MRR section 95131(b)(9) requires the reporting entity to “make any possible improvements or corrections to the submitted emissions data report, and submit a revised emissions data report to ARB”.
- MRR 95107(b) provides for penalties for under-reporting of emissions (inaccuracy).

> (a) Each day or portion thereof that any report ~~or to include in a report all information required by this article, or late submittal of any report, shall constitute a single, separate violation of this article for each day that the report has not been submitted beyond the specified reporting date. For the~~required by this article remains unsubmitted or is submitted late~~, or contains information that is incomplete or inaccurate~~ ~~within the level of reproducibility of a test or measurement method~~is a separate violation. For purposes of this section, ~~"~~“report~~"~~” means any emissions data report, verification ~~opinion~~statement, or other ~~document~~record required to be submitted to the Executive Officer by this article.

95107(c) the phrase “except to the extent the missing data substitution procedures in section 95129 are applied” should be added. Without this clarification, daily violations and penalties could be imposed for the use of missing data procedures when fuel flow metering equipment fails to measure or record data, even though use of missing data procedures is allowed under EPA Part 75 (Acid Rain), EPA Part 98 (GHG Reporting Rule), and ARB’s MRR 95129.

> *(c) ~~Each~~ ~~f~~Failure to measure, collect, record or preserve information required by this article~~needed~~ for the calculation of emissions ~~as required by this article~~ or that this article otherwise requires be measured, collected, recorded or preserved constitutes a separate violation of this article, except to the extent that missing data substitution procedures specified in 95129 are applied.*

§ 95111. Data Requirements and Calculation Methods for Electric Power Entities.

§ 95111(a)(3) and (a)(4)

The proposed modification requiring electricity purchased from variable renewable resources and replacement electricity delivered to be reported separately, and the need for this change, are unclear.

Why is the new requirement to separately report replacement electricity for variable renewable resources included under both 95111(a)(3) (unspecified imports) and 95111(a)(4) (specified imports)?

95111(a)(3) *Imported Electricity from Unspecified Sources*
(C) "Separately report replacement electricity for variable renewable resources"

95111(a)(4) *Imported Electricity from Specified Facilities or Units*
(A)(3) "The purchase of generation from specified variable renewable resources and the replacement electricity delivered must be separately reported."

If the reporting entity has a contract to purchase generation from a specified renewable generating facility, should the replacement electricity associated with that renewable energy purchase be reported as a specified import or an unspecified import? Or does it depend on whether the source of the replacement electricity is specified or unspecified?

Under the original MRR, electricity imported from specified renewable energy generating facilities (including variable renewable resources) was reported as a single line item. The proposed amendment would separate variable renewable energy imports into two line items.

1. generation purchased from specified variable renewable resources, and
2. replacement electricity delivered

Should both items be reported in the Imported Electricity category? Do GHG emissions need to be calculated and reported for both the renewable generation purchased and replacement electricity delivered, and if so, which emission factor should be used to calculate emissions for each item? Why would imports from variable renewable generating resources be treated differently than other specified imports?

The proposed amendment to 95111(a)(4)(A)(3) to separately report "The purchase of generation from specified variable renewable resources" and "the replacement electricity delivered" conflicts with the requirement in 95111(a)(4)(A)(1) to report "The amount of imported electricity from specified facilities or units as measured at the busbar". Generation from specified variable renewable resources is purchased at the busbar, and the replacement electricity delivered is imported into California. Reporting generation from specified variable renewable resources and replacement electricity delivered separately is inconsistent with the reporting requirements for other specified sources.

Reporting generation from specified variable renewable resources and replacement electricity delivered separately under 95111(a), and then subtracting out the replacement electricity emissions under 95111(b)(5), creates a multi-step process to achieve the same end result as reporting variable renewable energy imports as a specified import with zero GHG emissions.

This amendment has a potentially significant downside if the replacement electricity does not meet the definition of “replacement electricity” (e.g. originates from a different balancing authority area than the renewable generating facility it is replacing), and as a result the emissions cannot be subtracted out resulting in a cap-and-trade compliance obligation on what was originally renewable energy.

Recommendation: Replacement electricity for variable renewable generating facilities should be reported the same as other specified renewable imports (MWh as measured at the busbar, and calculate emissions using the emission factor for the specified generating facility). The proposed modifications to require separate reporting of renewable energy purchased and replacement electricity delivered should be deleted. In addition, terminology used in the reporting requirements sections should be consistent with the terms defined in section 95102.

> 95111(a)(3) *Imported Electricity from Unspecified Sources*
> ~~(C) "Separately report replacement electricity for variable renewable resources"~~
>
> 95111(a)(4) *Imported Electricity from Specified ~~Facilities or Units~~ Sources*
> ~~(A)(3) "The purchase of generation from specified variable renewable resources and the replacement electricity delivered must be separately reported."~~

Adding “direct delivery of electricity” to 95111(a)(4) *Imported Electricity from Specified Facilities or Units* may have unintended impacts.

By adding "direct delivery of electricity" to this section, will imported electricity have to meet both the definition of specified source, and the definition of "direct delivery of electricity", in order to be reported as a specified import? If an import from a generating facility meets the definition of “specified source” but does not also meet the definition of "direct delivery of electricity", does that mean it cannot be reported as a specified import, even though it was reported as a specified import in the past?

This amendment may have unintended consequences, such as changing imports that used to be specified to unspecified, and needs to be fully vetted with stakeholders before being incorporated into the MRR.

§ 95111(a)(6) It is unclear whether emissions for Qualified Exports should be netted against imports hourly or annually.

Based on the *Calculation of covered emissions for compliance obligation under Cap-and-Trade Regulation* equation in 95111(b)(5), it would appear that emissions for qualified exports are to be subtracted from total imported electricity emissions on an annual basis. However, the definition of qualified exports could be interpreted to mean that qualified exports need to be subtracted from associated imports on an hourly basis.

In order to understand qualified exports, more information is needed to understand what ARB is trying to achieve and how qualified exports should be calculated:

- Is the intent to calculate qualified exports hour by hour, or annually?
- Does it matter whether the import and export are specified or unspecified?

- Is the intent to include "locational" energy exchanges (simultaneous imports & exports under the same agreement) as well as simultaneous buy/sell transactions that are functionally equivalent to wheeling power through CA?
- Does it matter whether the import and export involve the same or different counterparties, as long as the same California PSE delivers the import into CA and the export out of CA?

LADWP recommends the following approach to reporting and netting out emissions for Qualified Exports:

1. Determine whether an export is eligible to be reported as a Qualified Export based on the definition of Qualified Export.
2. If eligible, report the export as a Qualified Export according to 95111(a)(6)(E). This can be accomplished by adding a new column to the Exports tab of the electricity transactions reporting template and marking "yes" or "no" to indicate whether the export is a "Qualified Export".
3. Calculate emissions for the export based on whether the electricity is from a specified or unspecified source according to the equations in 95111(b).
4. Sum and subtract emissions for the Qualified Exports from total imported electricity emissions on an annual basis according to the *Calculation of covered emissions for compliance obligation under Cap-and-Trade Regulation* equation in 95111(b)(5).

Emissions for Qualified Exports should be subtracted from imported emissions on an annual basis rather than hour by hour for the following reasons:

- Reduce chances of calculation error (one annual calculation instead of 8,760 hourly calculations). Subtracting qualified exports from imports on an hourly basis would be data intensive and need to be done by a computer (possibility of programming errors).
- A single annual calculation is easier to verify rather than 8,760 individual calculations.
- Hourly netting of emissions would not provide the data needed for the equation in 95111(b)(5).

We recommend that ARB clarify the emission calculation and reporting requirements for Qualified Exports in section 95111(a)(6) *Exported Electricity.*

<u>§ 95111(b) Calculating GHG Emissions.</u>

Should emission factors for imported electricity be in units of CO2 rather than CO2e?

The emission factors provided in section 95111(b) to calculate emissions for imported electricity are in units of CO2e rather than CO2. This is inconsistent with the "AB32 Cost of Implementation Fee Regulation", which bases fees for imported electricity on CO2 emissions, not CO2e emissions. For Electric Generating Facilities and Electricity Importers, the fee regulation relies on data reported under the MRR as the basis for assessing fees [fee regulation 95204(g)]. Fees for electricity delivered and electric generating facilities are calculated based on CO2 emissions, not CO2e emissions [fee regulation 95203(e) and (f)].

Was the default emission factor for unspecified electricity (0.428 MT CO2e/MWh) calculated using CO2 emissions data only? If so, the units should be lbs CO2/MWh instead of lbs CO2e/MWh. The unit should be CO2e <u>only</u> if CH4 and N2O emissions were factored into this default emission factor.

95111(b)(5)The variable renewable resource adjustment factor in the *Calculation of covered emissions for compliance obligation under Cap-and-Trade Regulation* equation needs to be defined.

The adjustment factor for replacement electricity associated with variable renewable electricity purchases (MWh_{VRR} term) in equation 95111(b)(5) is not defined.

§ 95111(g) Requirements for Claims of Specified Sources of Imported Electricity and Associated Emissions.

§ 95111(g)(3) Delivery Tracking Conditions for Specified Imports.

Does condition (B) *"The electricity importer has a written power contract to receive electricity generated by the facility or unit"* refer to the variable renewable generating facility, or the source of the replacement electricity?

§ 95111(g)(4) How will *Additional Information for Specified Sources* be used?

Five new conditions for specified imports have been added to section 95111(g)(4), which are summarized below.

Additional Information for Specified Sources – *"For each claim to a specified source of electricity, the electricity importer must indicate whether one or more of the following conditions applies."*

(A) Electricity historically consumed in California.
(B) Deliveries from existing federally owned hydroelectricity facilities by exclusive marketers.
(C) Deliveries from existing federally owned hydroelectricity facilities allocated by contract.
(D) Deliveries from new facilities.
(E) Deliveries from existing facilities with additional capacity.

What if a generating facility meets the definition of specified source (full or partial ownership in the facility/unit, written contract to procure electricity generated by that facility/unit, or electricity procured from an ARB recognized asset-controlling supplier), but doesn't meet one of the five conditions in 95111(g)(4)? Will ARB deny the "claim to a specified source of electricity" and assign default emissions to the imported electricity?