

ARB Energy Imbalance Market Transactions Reporting Frequently Asked Questions (FAQs)

The California Air Resources Board (ARB) has developed this Frequently Asked Questions (FAQ) document on issues that pertain to the California Independent System Operator (CAISO) Energy Imbalance Market (EIM) and how certain dispatches of electricity are reported to ARB. As a result of the EIM, dispatches of electricity occur into and out of California. These EIM dispatches trigger reporting obligations under ARB's Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (title 17, California Code of Regulations, section 95100 et seq) (MRR).

These FAQs respond to questions and comments from stakeholders and clarify reporting requirements related to EIM transactions under MRR. This guidance document clarifies MRR requirements; it neither creates nor modifies any legal requirements.

1. General Reporting Questions

- a) Under what regulation are EIM participants required to report to ARB?

Market participants that import into, or export electricity out of, California are considered electric power entities (EPE) under MRR. EPEs that imported or exported electricity to or from California during the previous calendar year must report greenhouse gas (GHG) emissions associated with that electricity to ARB under MRR. For purposes of MRR, certain electricity flows within the EIM between the CAISO and an EIM entity constitute imports or exports of power into or from California. The MRR regulation is posted on ARB's website at <http://www.arb.ca.gov/cc/reporting/ghg-rep/regulation/mrr-regulation.htm>. GHG emissions are provided to ARB in annual GHG emissions data reports. The data contained in the reports are submitted through an online reporting tool called the California Electronic Greenhouse Gas Reporting Tool (Cal e-GGRT). More information about how to report in Cal e-GGRT can be found in Section 2 of this document.

- b) Do all market participants in EIM have to report to ARB?

Only participants who import into, or export electricity out of, California must report to ARB. EIM Participating Resource Scheduling Coordinators (PRSC) whose transactions result in electricity imports to California are required to report imports to ARB pursuant to the definition of "electricity importers" in section 95102(a) of MRR. EIM dispatches of out-of-state resources designated by the CAISO's optimization model are deemed to have served load in California and are reportable as imports. Electricity exports also must be reported. MRR defines electricity exporters as EIM Entity Scheduling

Coordinators serving the EIM market whose transactions result in exports from California. For specific information regarding the data market participants need to report imports and exports please see Section 4 of this document.

- c) For market participants that must report to ARB, what are the reporting deadlines?

By June 1, EPEs must file a GHG emissions data report for the previous calendar year's emissions. By September 1, final verification statements, prepared by independent third-party verification bodies accredited by ARB, are due for all GHG emissions data reports. In addition, by February 1, EPEs must register all specified facilities located outside California that are sources of imported and exported power for the previous reporting year. Reporting deadlines that fall on a Saturday, Sunday, or State of California holiday extend to the next business day by close of business, but before midnight Pacific Time.

Key dates and activities under MRR are listed on ARB's website at:

<http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-dates.htm>.

- d) Does an EPE's annual GHG emissions data report need to be independently verified?

Yes, each GHG emissions data report must be independently verified by an ARB-accredited third-party verification body. A list of ARB-accredited verification bodies can be found at the following website: http://www.arb.ca.gov/cc/reporting/ghg-ver/arb_vb.htm. Verification activities must be completed by September 1 for the previous year's GHG emissions data report.

- e) Does ARB grant extensions to the reporting and verification deadlines?

No. ARB does not grant extensions to the reporting and verification deadlines. Late reports and verifications are subject to enforcement actions and potential penalties.

- f) What if I have a question about reporting GHG emissions associated with EIM transactions?

ARB staff is committed to working with EPEs to get reports completed and verified on time. For information about the Cal e-GGRT reporting system and account administration, see the Cal e-GGRT FAQs below, or send an email to ghgreport@arb.ca.gov.

For questions regarding reporting requirements and the Cal e-GGRT tool operation, refer to the GHG reporting home page, <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>, and check the links for the “Cal e-GGRT Reporting Tool” and “Guidance and Training.”

g) What are the record retention requirements for EPEs?

Pursuant to section 95105(a) of MRR, an EPE must retain records associated with its GHG emissions data report for a period of 10 years. This information must be sufficient to allow for the verification of each GHG emissions data report. In addition, section 95105(d) of MRR includes a list of specific information that EPEs must retain. For EIM transaction reporting, the NERC e-tag query information in section 95105(d)(5) does not apply to imports reported by EIM PRSCs. ARB-accredited third-party verifiers will review data retained by an EPE, and confirm that reported data are in agreement with source data retained by CAISO.

2. California Electronic Greenhouse Gas Reporting Tool (Cal e-GGRT)

a) How do EPEs file GHG emissions data reports with ARB?

Cal e-GGRT must be used for submitting annual GHG emissions data reports and may be accessed from the MRR website at: <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>, or directly from this link: <https://ssl.arb.ca.gov/Cal-eGGRT/login.do>. As part of the Cal e-GGRT reporting process, EPEs that report imports, exports, or wheels relative to the physical border of California must use Workbook 1 to file with ARB. Workbook 1 is an implementation tool to help EPEs report covered emissions associated with imported electricity and contains a current list of specified source emission factors. The Excel file called “*Workbook 1 EPE Importers and Exporters.xls*” can be found at the following webpage: <http://www.ccdsupport.com/confluence/display/calhelp/Reporting+Form+Instructions>.

b) How do EPEs register for an account in Cal e-GGRT?

To register to report in Cal e-GGRT, complete the following steps:

Step 1: Request a registration code from ARB by sending an email request to ghgreport@arb.ca.gov.

Step 2: After you receive the registration code, go to the Cal e-GGRT home page <https://ssl.arb.ca.gov/Cal-eGGRT/login.do> and click on the “New User Registration” green button located on the right side of the page. Complete the ‘Create User Profile’ step using the registration code provided by ARB.

Step 3: You will receive another email from ARB with an invitation code which you will use during your initial login to the Cal e-GGRT website. Copy and paste this invitation code into the invitation code box.

- c) How often does ARB update the Excel file “*Workbook 1 EPE Importers and Exporters.xls*,” and what information is updated?

Workbook 1 is updated each year in March or April to include updated specified source emission factors and to reflect any regulatory changes adopted through the rulemaking process, if applicable. The updated Workbook 1 must be used to complete GHG emissions data reports submitted by the June 1 reporting deadline.

3. Registration of Specified Sources

- a) What is “specified source electricity” and how is it treated under MRR?

Specified source electricity is electricity from a facility or unit that is permitted to be claimed as the source of electricity, which the reporting entity fully or partially owns, or for which the reporting entity has a written power contract. Specified source electricity must meet the requirements of section 95852(b)(3) of the Cap-and-Trade Regulation. “Power contract” is defined in section 95102(a) of MRR; the term includes, but is not limited to, tariff provisions, enabling agreements, and power purchase agreements. With regard to EIM, specified source electricity is that designated by the CAISO EIM optimization model as provided from a specific generating unit or facility. Electricity generated by identifiable specified sources of electricity must be separately reported, which allows ARB to accurately determine emissions associated with these sources.

- b) How are the GHG emissions associated with my specified sources of electricity determined?

Each year an EPE is required to register its specified sources by February 1, for the previous year’s emissions data. To register specified sources an EPE must submit a Specified Facilities Reporting Spreadsheet found on the following website: <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/ghg-rep-power.htm>. ARB uses this information to calculate an emission factor for each specified source. These factors are published on ARB’s website and made available to reporting entities in Workbook 1.

- c) Where does ARB publish the specified source emission factors that have been registered?

The current list of emission factors is posted in Cal e-GGRT in the Excel file, “*Workbook 1 EPE Importers and Exporters.xls*,” which can be found on the following

webpage:

<http://www.ccdsupport.com/confluence/display/calhelp/Reporting+Form+Instructions#PE>.

d) Are EPEs required to re-register specified sources each year?

Yes, annual registration of specified sources is required. For more information see the registration materials posted on ARB's website: <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/ghg-rep-power.htm>.

e) If a specified source is not registered by February 1, does that mean that the resource cannot be registered for the previous data year?

Registering specified sources by the February 1 deadline will ensure that there will be an ARB-calculated emission factor in Cal e-GGRT for use in the GHG emissions data report by June 1. If specified sources are submitted after the registration deadline, ARB is not required to calculate emission factors for late-filed resources. All deadlines are subject to potential enforcement by ARB. If an entity does not register a specified source by the applicable deadline, it may be out of compliance and could have conformance problems during the verification process.

f) Has ARB provided any other guidance related to specified source electricity?

Yes. ARB has EPE reporting FAQs that clarify requirements related to reporting of specified sources, short-term transactions, and asset controlling supplier (ACS) power at: <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/epe-faqs.pdf>. These FAQs may be useful for reporting EIM electricity for specified sources.

4. Reportable Transactions

a) What if a PRSC has EIM imports and exports during the same hour? Is the reporting obligation under MRR on all imported megawatts sold into CAISO, or just on the net amount of imports and exports?

The PRSC has a reporting obligation for all imported megawatts sold into California, where the reporting obligation is based on the amount of energy imported into California. Exports must also be reported. However, EPEs must separately report imported and exported power, pursuant to section 95111(a)(2) of MRR.

b) Is there a compliance obligation under the Cap-and-Trade Program for EIM imports and exports?

The PRSC has a compliance obligation under the Cap-and-Trade Program for all imported megawatts sold into California. There is no compliance obligation for exports.

c) What determines whether there is an EIM import or export?

EIM imported and exported electricity is determined by the CAISO EIM optimization model, as described in the definitions for “imported electricity” and “electricity exporter” in section 95102(a) of MRR. Imported and exported electricity is determined by EIM dispatches designated by the CAISO’s optimization model.

d) How will importers obtain information for reporting the electricity that was imported into California from EIM dispatches?

EIM dispatches resulting in imports must be reported by PRSCs as electricity imported to serve load of retail customers that are located within California. Under EIM Tariff Section 29.32(f), CAISO will provide each EIM PRSC with summary reports that include the energy produced by each generator within an EIM entity that serves CAISO load.¹ These summary reports will be made available to each PRSC via the California ISO Market Results Interface (CMRI).

e) Do EIM transfers represent all of the data needed for EPEs to report EIM imports into California?

No. EIM transfers from other balancing authority areas (BAA) to CAISO do not constitute a complete data set of imports for purposes of reporting under MRR because EIM transfers only represent a net imbalance energy exchange of power during an interval.² The summary report that CAISO provides to each PRSC will contain the information needed to report imports under MRR, including the portion of the fifteen-minute market energy schedule and the portion of real-time dispatch energy dispatch that is associated with energy deemed to have been imported to the CAISO BAA or other EIM entity BAAs in California from that generator.

f) How are EIM exports from California reported under MRR?

EIM export data from California are currently not available at the individual generator level because EIM market optimization cannot identify specific generators that are the source of exports from California. EIM transfers from any location within California to another BAA outside of California constitute a complete data set of exports from California. Given the absence of generator-level information, each EIM Entity Scheduling Coordinator accepting exports via the EIM market will report EIM transfer exports from California, until such time generator level export data is available.

¹ https://www.caiso.com/Documents/Section29_EnergyImbalanceMarket_Jan15_2015.pdf

² EIM transfers only occur in one direction during one interval. Thus, there can only be either an exported EIM transfer or an imported EIM transfer during each interval.

- g) Are there exceptions to reporting requirements for EIM imports and exports within an hour?

EIM electricity imported into California must be separately reported as imported power, whether the EIM transaction spans one full hour, several hours, or only one interval within an hour. The same applies to exports. However, when an EIM PRSC imports and exports power within the same hour, it may claim a qualified export (QE) adjustment. For more information on the QE adjustment see section 95852(b)(5) of the Cap-and-Trade Regulation and ARB's EPE reporting FAQ document at: <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep-power/epe-faqs.pdf>.

- h) What if an EIM sale into CAISO is cut and no power flows?

Imported electricity includes dispatches designated by the CAISO EIM optimization model to serve load in California. However, in the event the EIM sale to California is cut and no power flows, it is expected that the withdrawal or cancellation of this transaction by the EIM model will be reflected in market results and associated settlements. Thus, if the EIM optimization designates an import to California, the transaction is reportable to ARB as an import.