

Specified Source Guidance for Reporters

Specified Source Guidance

Pursuant to section 95102(a) of the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (title 17, California Code of Regulations, section 95100 et seq.; reporting regulation or MRR), ARB recognizes a “specified source of electricity” or “specified source” as a facility or unit which is permitted to be claimed as the source of electricity delivered. Pursuant to section 95111(b)(2), ARB is required to calculate facility-specific or unit-specific emission factors for publication on the ARB Mandatory Reporting website for use in annual emissions data reporting. A specified source constitutes one facility with one or more units within that facility; a specified source may not include more than one facility. As such, the designation of multiple facilities as a single specified source does not meet the specified source definition or designation requirements of the regulation, regardless of the emission factors associated with any of the facilities, unless the facilities are considered one project for Federal Energy Regulatory Commission (FERC) hydroelectric licensing purposes. A power contract that includes multiple specified sources is acceptable to use when claiming a specified source. The importer of a specified source must be able to verify that the power is from the identified specified source.

The Role of Environmental Attributes in Specified Source Claims

Pursuant to section 95802(a) of the Cap-and-Trade Regulation (title 17, California Code of Regulations, section 95800 et seq.), a Renewable Energy Credit (REC) includes all renewable and environmental attributes associated with the production of electricity from an eligible renewable energy resource,¹ where these resources are also known as California's Renewables Portfolio Standard (RPS) Participating Facilities and are specifically listed at http://www.energy.ca.gov/portfolio/documents/list_RPS_certified.html. Therefore, only Eligible Renewable Energy Resources produce RECs recognized for use in California.

Section 95852(b)(3)(D) of the Cap-and-Trade Regulation states that, “*If RECs were created for the electricity generated and reported pursuant to MRR, then the RECs must be retired and verified pursuant to MRR.*” Thus, if the resource is listed as an Eligible Renewable Energy Resource and the electricity is directly delivered, the RECs must be reported and verified pursuant to section 95111(g)(1)(M)3 of the reporting regulation. If a generation resource is not an Eligible Renewable Energy Resource, no RECs recognized for RPS compliance in California are created by the resource. Accordingly, when RECs are not created, neither are the environmental attributes for purposes of California’s program. For this reason, the environmental attributes are not required to claim a specified source with an associated emission factor.

¹ The definition of “Renewable Energy Credit” in section 95802(a) includes exceptions from what constitutes an eligible renewable energy resource. These exceptions are for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels.