# Comments of the Western Power Trading Forum

# to the California Air Resources Board on 2016 Proposed Amendments

# Mandatory Reporting Regulation

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The Western Power Trading Forum (WPTF) offers comments to the California Air Resources Board (CARB) on its 45-day proposed amendments to the Mandatory Reporting Regulation (MRR). Our comments address:

- Verification Deadlines
- Timeline for response to records requests
- Calculation of quantity of electricity delivered to California via the market operated by the California Independent System Operator (CAISO);
- Accounting of GHG emissions from electricity imported via the Energy Imbalance Market (EIM); and
- Clarification of other changes to reporting requirements

***Verification Deadline***

Staff has proposed changing the verification deadline in section 95103(f) from September 1 to August 1. In our experience, verifiers have needed right up to the September 1 deadline to finish their work. If the verification timeframe is to be moved up, CARB needs to work with the verifiers to ensure that they will be able to meet this new deadline, and that any delay by verifiers will not impact ability of reporting entities to comply with program requirements.

***Timeline for response to records request***

Staff have modified section 95105(b) to require that reporting entities respond to requests for records by CARB within 10 days of receipt of the request. WPTF requests that CARB modify this provision to provide for 10 *business* days after request. 10 calendar days would not provide sufficient time for reporting entities to gather requested information.

***Calculation of the quantity of electricity delivered to California via the CAISO markets***

As WPTF explains in our comments on the proposed changes to the cap and trade regulation, the cap and trade and MRR do not currently treat the flow of electricity through California consistently across the EIM and other CAISO markets. This inconsistent treatment, which will be further exacerbated by the elimination of the qualified export adjustment, does not accurately account for electricity that serves California load and may disincent participation in the CAISO markets.

To align the GHG accounting of power flows across the EIM and CAISO markets, and more accurately reflect state electricity consumption, WPTF recommends that CARB modify the MRR to account for the quantity of power consumed in the state on a *net-interchange* basis for all CAISO markets:

- CARB should request CAISO to calculate the ratio of net imports to final scheduled imports, exclusive of EIM, for each hour[1] and provide this information to scheduling coordinators and to CARB.
- Section 95111(a)) should be modified to allow electric power entities to reduce the quantity of scheduled (e-tagged) imports for each hour by the ratio of net/scheduled imports provided by the CAISO for that hour.

This approach avoids the need to net electricity exports against particular imports or to net emissions, and instead simply corrects the quantity of imported power. If discussions regarding GHG accounting in

[1] Quantification of this ratio could be done on a more granular basis if desired. We believe that an hourly basis would provide for sufficient accuracy and conform with CARB's current practice for reporting of schedules on an hourly basis.

the EIM and regional ISO result in changes to how import flows are assigned to specific resources, then such an approach could also be considered for netting of exports in the CAISO markets.

***Accounting of GHG emissions from electricity imported via the EIM***

WPTF agrees with the concerns raised by CARB staff that the EIM algorithm is distorting dispatch in some cases resulting in increased emissions in the combined CAISO/EIM footprint. However, rather than address this through CARB's administrative assignment of additional carbon costs to California EIM purchases, WPTF recommends that CAISO initiate a stakeholder process to consider modifications to how the EIM algorithm treats carbon costs in the dispatch and attribution of generation to serve CAISO load. For this reason, we oppose CARB's proposed addition of paragraph 95111 (h) "Reporting requirements for the California Independent System Operator."

WPTF recommends that CAISO stakeholder process on EIM GHG accounting also address two other issues. First, WPTF is concerned that the current reporting regulation provides the possibility that imported electricity from an external resource that participates in the CAISO markets and the EIM could be double-counted. This would occur if the resource scheduled a delivery into California as a result of a bid in the CAISO markets, then was dispatched in the EIM by an amount that included the quantity already scheduled. Because the electric power entity is required to report both the scheduled delivery and the EIM export allocation to CARB, this could double-count the quantity of imported power. CAISO staff indicate that this situation could be avoided by the resource not submitting an energy bid in the EIM for dispatch to CAISO load. We do not consider this sufficient, since the entity may not be aware of the potential for double-counting. Instead, we recommend that the CAISO develop procedures to ensure that the EIM algorithm does not assign an export allocation to electricity that was previously scheduled as an import in the CAISO markets.

The second concern regards the 'lesser-of' analysis in section 95111(b)(2)(e). CARB staff have proposed elimination of the lesser of analysis requirement for electricity imported via the EIM. We understand that this is due to staff's understanding that the EIM export allocation is not adjusted to reflect actual metered data, but instead reflects the resource's forecast availability going into the hour. Rather than require the 'lesser-of' analysis for zero-emission EIM participating resources, WPTF suggests that CARB explore whether it would be possible for the EIM export allocations to more accurately reflect metered generation for these resources.

***Clarification of other changes to reporting requirements***

Staff have modified section 95111(a)(2) to require reporting of delivered electricity by generation source when known, as well as by point of receipt as currently required. Given that electric power entities are already required to also report imported electricity separately by specified and unspecified sources, we do not understand the intent of this addition. WPTF requests CARB to clarify the meaning of the new language.

Similarly, in section 95111(b)(2)(E)(2), staff have added language to enable an EPE to voluntarily conduct the lesser of analysis for resources excluded from mandatory lesser-of analysis section 95111(b)(2)(E)(1). It is not clear why an EPE would conduct this analysis, if not required by the regulation. WPTF requests that CARB staff to explain why this provision has been added.