



November 15, 2013

Dave Edwards  
Manager, Climate Change Reporting Section  
California Air Resources Board  
1001 "I" Street  
Sacramento CA, 95814

***Filed Electronically***

*RE: TID Comments on September 4, 2013 Proposed Amendments to the Mandatory Reporting Regulation.*

Dear Mr. Edwards:

Turlock Irrigation District ("TID") submits the following comments regarding the California Air Resources Board ("ARB") November 1, 2013 *Proposed Amendments to the Mandatory Reporting Regulation* ("November 1<sup>st</sup> Amendments"). These comments are in addition to TID's comments on the September 4, 2013 Amendments to the Mandatory Reporting Regulation ("MRR"). In these comments, TID provides additional comment on Section 95111(g)(1)(N): collection of meter data for electricity imports. TID's comments are summarized as follows:

1. The ARB should not withdraw its September 4, 2013 revisions to Section 95111(g)(1)(N) (meter data requirement). However, if the ARB withdraws these revisions, then the ARB should minimize the administrative concerns raised in TID and other parties' written and oral comments on the September 4<sup>th</sup> Amendments. An hour-by-hour comparison of all specified imports will create a new administrative burden for both reporters and verifiers that will not achieve a significant improvement of reporting accuracy.
2. To minimize this potential administrative burden, the ARB should consider amendments provided in Attachment A to these comments. These amendments would require reporters to retain meter data and make it accessible to verifiers if questions of overscheduling arise. If the verifier chooses to compare meter data to e-tag information, then the verifier may update the reported information to reflect the lesser of meter or verification data. However, this correction would not constitute a material misstatement. If despite the minimal improvement in reporting accuracy, the ARB still believes some comparison of meter and e-tag data is necessary, then the ARB should require this comparison across a longer

time horizon. For example, the ARB could minimize the administrative burden by clarifying that reporters will only be required to compare meter and verification data across an annual or monthly time horizon.

3. In the November 1<sup>st</sup> Notice, the ARB states that by withdrawing amendments to Section 95111(g)(1)(N) (and other amendments to Section 95111), the ARB will ensure consistent reporting with previous reporting years and not create new questions of how to report.<sup>1</sup> TID disagrees that the “withdrawal” of Section 95111(g)(1)(N) achieves “reporter understanding.” The metering requirements in Section 95111(g)(1)(N) are not clearly understood by reporting entities. To ensure better stakeholder understanding, the ARB should make this a main topic in guidance document(s) and training webinars in early 2014.

## **DISCUSSION**

### **1. The ARB Should Not Withdraw Its Proposed Amendments To Section 95111(g)(1)(N).**

Currently, the MRR requires covered entities to *retain* meter data from specified sources for purposes of verification. However, the reporting tool and ARB guidance seem to require more than just retaining the meter data. TID understands that the ARB may want Electricity Importers to conduct an hour-by-hour comparison between the generating facility meter data and the MWh on the e-tag, and to report specified imports as the lesser of the meter or the MWhs on the e-tags for each hour. TID is concerned that such a comparison could create a significant administrative burden both for the reporting entity and the verifier with respect to conventional, non-RPS resources. Depending on the number of imports involved and the number of e-tags generated in a single day, it could take weeks for staff to complete this comparison. In some cases, e-tags might need to be split, and as a result, it would be difficult for a verifier to recreate the covered entity’s analysis. This additional burden would exceed the likely benefit to the ARB as the incremental difference in compliance obligation will be minor. In almost all cases, the metering data will be consistent with the e-tags and any minor improvement in reporting accuracy would be swamped by the potential direct administrative burden on reporting entities and increased verification costs.

The ARB’s September 4, 2013 proposal to remove certain language in Section 95111(g)(1)(N) would have addressed these concerns by limiting the hour-by-hour comparison. If the ARB withdraws these revisions, then the ARB should minimize the administrative concerns noted above. As discussed in the next section, there is a need for clear regulatory language and guidance on this issue.

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<sup>1</sup> See 15 Day Notice at p. 3, available at: <http://www.arb.ca.gov/regact/2013/ghg2013/ghg201315notice.pdf>

**2. The ARB Should Clarify Its Proposal, And Explain How The Change In Staff's Position Will Ensure Consistent Reporting With Previous Years.**

To minimize the potential administrative burden and confusion associated with Section 95111(g)(1)(N), the ARB should consider amendments provided in Attachment A to these comments. These amendments would require reporters to retain meter data and make it accessible to verifiers if questions of overscheduling arise. Reporters would not face new administrative hurdles, but the ARB would nevertheless have a mechanism for improving data accuracy if it so desires. Under this proposal, the verifier (based on ARB direction or if questions of over scheduling arise) could compare meter data to e-tag information for particular resources. If the verifier discovers an inconsistency between e-tag and meter data, the verifier would update the reported information to reflect the lesser of the meter or verification data. To avoid creating an implicit obligation for reporters to make this comparison for all resources, the ARB should clarify that this correction would not constitute a “material misstatement” as that term is defined in the MRR. The possibility of potential material misstatements would render guidance about not having to do the hour-by-hour comparison meaningless.

If despite the minimal improvement in reporting accuracy, the ARB still believes some comparison of meter and e-tag data is necessary, then the ARB should only require this comparison across a longer time horizon. For example, the ARB could minimize the administrative burden discussed above by clarifying that reporters will only be required to compare meter and verification data across an annual or monthly time horizon. TID believes that a comparison of monthly or annual e-tag and meter data would yield substantially similar (albeit minimal) improvements in reporting accuracy as an hourly comparison.

In sum, it is important to provide clear regulatory language and guidance about the ARB's expectation for the use of meter data and the associated verification requirements. TID's two proposals for addressing these concerns are provided in Attachment A to these comments.

**3. The ARB's November 1, 2013 Notice Incorrectly Asserts That Withdrawal Of Section 95111(g)(1)(N) Will Ensure Consistency With Reporting In Previous Years and Reporter Understanding.**

In the November 1<sup>st</sup> Notice, the ARB states that by withdrawing amendments to Section 95111(g)(1)(N) (and other amendments to Section 95111), the ARB will ensure consistent reporting with previous reporting years and not create new questions of how to report.<sup>2</sup> TID disagrees that the “withdrawal” of Section 95111(g)(1)(N) achieves “reporter understanding.” The metering requirements in Section 95111(g)(1)(N) are not clearly understood by reporting entities. To ensure better stakeholder understanding, the ARB should make this a main topic in guidance document(s) and training webinars in early 2014 so that stakeholders can all gain a clear, consistent understanding of the inherent intricacies between Renewable Portfolio Standard (“RPS”) and Greenhouse Gas

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<sup>2</sup> See 15 Day Notice at p. 3, available at: <http://www.arb.ca.gov/regact/2013/ghg2013/ghg201315notice.pdf>

("GHG") policies. The ARB should also consider TID's proposed Amendments presented in Attachment A to these comments.

TID appreciates the opportunity to provide these comments and looks forward to working with the ARB on this and other reporting issues germane to the electricity sector.

Sincerely,

A handwritten signature in blue ink, appearing to read "DBS", with a long horizontal flourish extending to the right.

Dan B. Severson

Turlock Irrigation District

**ATTACHMENT A**

*TID Proposed Amendments To Section 95111(g)(1)(N) (noted in bold and underline):*

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

...

(N) For verification purposes, retain meter generation data to document that the power claimed by the reporting entity was generated by the facility or unit at the time the power was directly delivered. **Electric Power Entities are not required to make an hour-by-hour comparison of meter generation data and other reported information. The verifier may make such a comparison, and any subsequent correction to an electric power entity's reported information will not constitute a material misstatement.**

*Alternatively, the ARB should amend Section 95111(g)(1)(N) as follows:*

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

...

(N) For verification purposes, retain meter generation data to document that the power claimed by the reporting entity was generated by the facility or unit at the time the power was directly delivered, **based on a comparison of a full year of meter data against a full year of e-tag data.**