

January 20, 2017

Ms. Brienne Aguila  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

Dear Ms. Aguila:

Subject: Comments on the First 15-Day Modifications to the Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

Below are additional comments from the Los Angeles Department of Water and Power (LADWP) regarding the proposed amendments to the California Air Resources Board (ARB) Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR).

**1) Verification Deadline [MRR section 95103(f)]**

LADWP is opposed to the proposed amendment that would move the deadline to complete verification of the annual greenhouse gas (GHG) emission reports forward an entire month from September 1 to August 1. LADWP believes the amount of time allotted for verification of an annual GHG emission report should be no less than three (3) months. The verification period needs to be long enough to allow the verifiers to do a good job reviewing the reports, and for the reporter and ARB staff to respond to questions that arise during the verification process.

An August 1 verification deadline for all reports is unreasonable because it would compress the timeframe for verifying complex reports such as the Electric Power Entity report from three (3) months to only two (2) months. In LADWP's previous comments (submitted September 19, 2016), we provided specific examples of the level of detail involved in verifying Electric Power Entity reports and responding to questions. It is not feasible to verify data to this level of detail in less than three (3) months. LADWP recommended a bifurcated approach with two different verification deadlines: 1) August 1 for facility level reports that have a reporting deadline of April 10, and 2) September 1 for entity level reports that have a reporting deadline of June 1. If needed, facility level reports could apply for an extension of the verification deadline to September 1.

LADWP recommends that ARB reject the proposed one-size-fits-all August 1 verification deadline for all GHG emission reports. The verification deadline should be set based on the amount of time needed to verify the annual GHG emission reports to ensure good quality data, not on the desire to have finalized data sooner.

**2) “Lesser of Analysis” [MRR section 95111(b)(2)(E)]**

LADWP remains concerned about the proposal to remove exemptions from the requirement to report specified imports of zero emission electricity based on the “Sum of Lesser of MWh” equation.

- LADWP believes it is not feasible to apply the “Sum of Lesser of MWh” equation to electricity from the Energy Imbalance Market (EIM) since EIM electricity is produced by multiple generating units (i.e. system power).
- By removing the exemptions for grandfathered RPS resources and dynamically tagged deliveries, the “Sum of Lesser of MWh” equation will be applied to more sources of imported electricity. LADWP sees the following issues with this:
  - i. Increased risk of calculation error. A number of RPS eligible generating facilities that supply California are located in a different time zone. In order to apply the “Sum of Lesser of MWh” equation, either the meter or the e-Tag data needs to be shifted so that they both reflect the same time zone. Adjusting for Daylight Savings Time changes can be tricky. These adjustments are time consuming for both the reporter and the verifier.
  - ii. Decreased accuracy of the reported data. The “Sum of Lesser of MWh” equation under-reports the true amount of zero emission electricity produced and delivered by not accounting for over-generation, fractional MWh or true-ups between the actual amount generated and delivered. The “Sum of Lesser of MWh” equation may result in over-reporting unspecified imports by assuming substitute electricity where none exists.

Below are examples to illustrate situations where the “Sum of Lesser of MWh” equation will not reflect the true value.

Example	Result of “Sum of Lesser of MWh” equation
A zero emission generating facility produces more MWh during the hour than is shown on the e-Tag (aka “over-generation”).	Under-reports the MWh of zero emission energy purchased by selecting the lesser of the hourly e-Tag or meter values. The surplus zero emission electricity produced is ignored.
Meter data includes fractional MWh.	Under-reports the MWh of zero emission energy purchased by selecting the lesser of the hourly e-Tag or meter values. E-Tags show only whole MWh so any fractional MWh would be lost. If fractional generation is not accounted for, the difference between the specified import and MWh actually purchased can be significant over the course of the year.

Example	Result of "Sum of Lesser of MWh" equation
True-up adjustments if more electricity was produced in a previous hour than was delivered.	Under-reports the MWh of zero emission energy purchased by selecting the lesser of the hourly e-Tag or meter values. Applying fixed % share to hourly meter data will not reflect instances where electricity is delivered to make up for previous under-delivery.
Substitute electricity is not provided for generation within the same Balancing Authority Area. For generating facilities physically located outside of California but within a California Balancing Authority Area, the meter value is the correct value. Any difference between the e-Tag value and the meter value is not made up with substitute electricity.	Over-reports the amount of unspecified electricity (i.e. "phantom" emissions). The "Sum of Lesser of MWh" equation assumes that any difference between the scheduled MWh and the metered MWh is made up with substitute electricity which is reported as unspecified. However, there is no unspecified make-up electricity within a California Balancing Authority Area since all California generation and imports are accounted for.

LADWP recommends the following:

- Limit application of the "Sum of Lesser of MWh" equation to only fixed schedules and situations where substitute electricity may be provided. Do not apply it to zero emission generating facilities that are tied to a California Balancing Authority since there is no substitute electricity in that case.
- Add the option to use the settlement or invoice amount in cases where applying the "Sum of Lesser of MWh" equation would not produce accurate results.

Thank you for your consideration of these comments. If you have any questions, please contact me at (213) 367-0409 or Ms. Cindy Parsons at (213) 367-0636.

Sincerely,



Mark J. Sedlacek  
Director of Environmental Affairs

CP:

- c: Ms. Rajinder Sahota, ARB
- Mr. Jason Gray, ARB
- Ms. Mary Jane Coombs, ARB
- Mr. Jim Aguila, ARB
- Ms. Brienne Aguila, ARB
- Mr. Wade McCartney, ARB
- Mr. Ryan Schauland, ARB
- Ms. Jodean M. Giese
- Ms. Cindy S. Parsons

