

September 15, 2014

***VIA ELECTRONIC SUBMISSION***

Clerk of the Board  
Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Comments of PacifiCorp on the July 29, 2014 Proposed Amendment to the Regulation for Mandatory Reporting of Greenhouse Gas Emissions**

PacifiCorp respectfully submits these comments in accordance with the public notices issued July 29, 2014 on proposed amendments to the California Regulation for Mandatory Reporting of Greenhouse Gas Emissions (“Mandatory Reporting Rule” or “MRR”).

PacifiCorp is concerned that the proposed modifications could be interpreted to prevent utilities from claiming firming and shaping transactions as part of the RPS Adjustment under the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (“Cap and Trade Program”). Accordingly, PacifiCorp suggests clarifying the proposed modified section § 95111(g)(1)(N) as set out below.

PacifiCorp has been advised that the proposed modifications to the Mandatory Reporting Rule are not intended to modify or eliminate the RPS Adjustment as it may be claimed under § 95852(b)(4) of the Cap and Trade Program. However, a potential for confusion arises because § 95852(b)(4) uses the words “eligible renewable energy resource,” a concept to which the amended reporting requirement also refers, but to which § 95852(b)(3), regarding specified source imports, does not. Therefore, as the amended reporting requirement caps reportable imports at generation within any particular hour, it could be read as capping firming and shaping at the generation of a particular hour of import of the substitute energy, even though no §95852(b)(4) RPS Adjustment energy is being directly imported pursuant to §95852(b)(4)(D). Capping the amount of generation required to be reported to the amount generated within a particular hour from a generator that is not directly delivering that energy would nullify the concept of firming and shaping and therefore also California Renewable Portfolio Standard product content category two transactions. Firming and shaping would be nullified because the very nature of firming and shaping is the delivery of energy that was generated in one hour in a different hour. As an example, a firming and shaping transaction could include a 5 megawatt geothermal resource firming and shaping a month’s generation into a single eight hour 450 megawatt schedule on the last day of the month. However, the proposed language could be read as limiting such a transaction to the 5 megawatts per hour of actual resource generation during that eight hour delivery period.

To make it clear that the proposed modifications do not refer to the §95852(b)(4) RPS Adjustment, PacifiCorp proposes additional revisions to the proposed modification to § 95111(g)(1)(N) of the Mandatory Reporting Rule. The currently proposed revisions are shown

in underline, while PacifiCorp’s proposed revisions are shown in bolded double underline and strike-out. The clarifying language below is designed to retain the current method (i.e., based on reporting year) of calculating the RPS Adjustment.

- (N) For verification purposes, retain meter generation data from all specified sources 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. This is applicable to imports from specified resources **under § 95852(b)(3) of the cap-and-trade regulation** for which ARB has calculated an emission factor of zero, and for imports from California Renewable Portfolio Standard (RPS) eligible resources **under § 95852(b)(4) of the cap-and-trade regulation**, excluding: (1) grandfathered contracts under the California RPS program that “count in full” under Public Utilities Code Section 399.16(d); (2) dynamically tagged power deliveries; (3) untagged power deliveries; and (4) nuclear power. Accordingly, a less of analysis is required pursuant to the following equation:

$$\text{Sum of Lesser of MWh} = \Sigma \text{HM}_{sp} \cdot \min(\text{MG}_{sp}, \text{TG}_{sp})$$

Where:

$\Sigma \text{HM}_{sp}$  = Sum of the ~~Hourly~~ Minimum of  $\text{MG}_{sp}$  and  $\text{TG}_{sp}$  (MWh), **calculated hourly in the case of specified sources claimed under § 95852(b)(3) of the cap-and-trade regulation and calculated for the reporting year for purposes of the RPS adjustment calculation under § 95852(b)(4) of the cap-and-trade regulation.**

$\text{MG}_{sp}$  = metered facility or unit net generation (MWh).

$\text{TG}_{sp}$  = tagged or transmitted energy at the transmission or sub-transmission level imported to California (MWh).

PacifiCorp appreciates the opportunity to submit these comments and is also available to discuss the issues addressed herein with ARB staff if doing so would be constructive.

Dated: September 15, 2014

Respectfully submitted,

By

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Director, Environmental Policy & Strategy