

**COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY TO THE  
CALIFORNIA AIR RESOURCES BOARD ON ITS PROPOSED SECOND 15-DAY  
MODIFICATIONS TO THE REGULATION FOR THE MANDATORY REPORTING  
OF GREENHOUSE GAS EMISSIONS, DATED SEPTEMBER 8, 2011**

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## I.

### INTRODUCTION

Southern California Edison Company (“SCE”) respectfully submits its comments on the California Air Resources Board’s (“ARB’s”) Proposed Second 15-Day Modifications to the Regulation For the Mandatory Reporting of Greenhouse Gas Emissions, dated September 8, 2011 (“September 2011 Proposed Modifications”).<sup>1</sup> The September 2011 Proposed Modifications recommended further changes to the existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (“Mandatory Reporting Regulation”),<sup>2</sup> which was developed pursuant to requirements of the California Global Warming Solutions Act of 2006.<sup>3</sup>

SCE recognizes ARB staff’s efforts to revise the regulation and appreciates their willingness to work openly with stakeholders in crafting a reporting regulation that successfully implements the Global Warming Solutions Act of 2006 (Assembly Bill 32; Stats. 2006, Chapter 488), more commonly known as Assembly Bill (“AB”) 32.<sup>4</sup> SCE has provided comments on specific regulatory provisions below.

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<sup>1</sup> California Air Resources Board, Proposed Second 15-Day Modifications to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, September 8, 2011, *available at* <http://www.arb.ca.gov/regact/2010/ghg2010/ghg15dayatt.pdf>.

<sup>2</sup> Cal. Code Regs. tit. 17, §§ 95100 to 95133.

<sup>3</sup> On August 11, 2011, SCE submitted comments on ARB’s initial Proposed 15-Day Modifications to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (dated July 25, 2011). SCE’s comments below incorporate several statements from our August 12, 2011 comments.

<sup>4</sup> Cal. Health & Safety Code §§ 38500 to 38599. Section 38530 specifies the reporting requirements.

## II.

### **COMMENTS ON SPECIFIC REGULATORY PROVISIONS**

SCE has organized its comments by regulatory provision.

#### **A. Definitions**

##### **1. Subsection 95102 (a)(182): “Generation Providing Entity”**

The subject definition provides, in part, that “a facility or generating unit operator, full or partial owner, sole party to a tolling agreement with the owner, or exclusive marketer is recognized by ARB as a generation providing entity.” In SCE’s comments on the original proposed 15-day modifications regarding this topic, SCE had requested ARB to clarify its underlying intent behind this portion of the subject definition. The September 2011 Proposed Modifications do not address this issue, or provide the requisite clarification. SCE requests that ARB provide an explanation that this definition clarifies who is responsible to report emissions related to out-of-state tolling arrangements, and that this definition does not create a duplicative reporting requirement for in-state tolling arrangements (whereby both the facility owner as well as the counterparty to a tolling arrangement are required to report the emissions related to the same underlying facility), potentially creating confusion as to who is responsible for the facility’s compliance with the cap-and-trade program.

##### **2. Subsection 95102 (a)(351): “Retail Provider”**

ARB’s definition of the term “retail provider” specifically excludes electrical cooperatives. SCE sees no rationale for this exclusion. In SCE’s comments on the original proposed 15-day modifications, SCE recommended that electric cooperatives be included in the definition of “retail provider.” As this change was not made in the September 2011 Proposed Modifications, SCE again recommends it.

3. **Subsection 95102 (a)(108): “Direct Delivery of Electricity”**

SCE is offering additional language to improve the subject definition. These modifications are designed to prevent the inappropriate assignment of a GHG reporting obligation to a generation facility located in a California balancing authority, but outside California, when the output from such facility is not delivered to California. Specifically, SCE recommends the insertion of the bold language shown below into subsections (A) and (B):

(108) “Direct delivery of electricity” or “directly delivered” means electricity that meets any of the following criteria:

(A) The facility has a first point of interconnection with a California balancing authority **and the output from the facility is delivered to California;**

(B) The facility has a first point of interconnection with distribution facilities **within a California balancing authority area and the output from the facility is used to serve end users located in California.**

B. **Section 95111 (c)(4)**

This section provides that “[r]etail providers that report as electricity importers also must separately report electricity imported from specified and unspecified sources by other electric power entities to serve their load, designating the electricity importer.” In SCE’s comments on the original proposed 15-day modifications, SCE had recommended that ARB should remove this requirement in its entirety, for a variety of reasons explained in SCE’s comments. SCE continues to believe that ARB needs to figure out a way to obtain information about all imported electricity transactions, including imported electricity sold directly into CAISO markets, from electricity importers, and not rely on retail providers to report such imported electricity transactions. At best, ARB will receive an incomplete picture if it relies on retail providers for such reporting, even if retail providers figure out a way to obtain and report such data.

**C. Section 95107: Penalties**

SCE appreciates the improvements that ARB has made to the reporting requirements to address stakeholder concerns. SCE does not believe that any further changes to this section are necessary.

**III.**

**CONCLUSION**

SCE appreciates this opportunity to provide its comments to ARB on the September 2011 Proposed Modifications. SCE urges ARB staff to revise its reporting regulation in accordance with the principles outlined herein.

Respectfully submitted,

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