[SUBMITTED ELECTRONICALLY VIA EMAIL TO: secretary@dps.ny.gov.]

February 8, 2016

Hon. Kathleen H. Burgess,
Secretary
State of New York Public Service Commission (PSC)
Three Empire State Plaza
Albany, New York 12223-1350

Re: CASE 15-E-0696 – In the Matter of the Environmental Disclosure Labeling Program. Comments of Center for Resource Solutions (CRS) on modifying the Environmental Disclosure Labeling Program (EDP) for consistency with the proposed New York Generation Attribute Tracking System (NYGATS)

Dear Hon. Kathleen H. Burgess:

CRS appreciates this opportunity to comment in response to the December 10, 2015 "Notice Soliciting Comments On Environmental Disclosure Labeling Program."

Background on CRS and Green-e®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS has broad expertise in renewable energy policy design and implementation, electricity product disclosures and consumer protection, and greenhouse gas (GHG) reporting and accounting. CRS administers the Green-e programs. Green-e Energy, in particular, is the leading certification program for voluntary renewable electricity products in North America. In 2014, Green-e Energy certified retail sales of 38 million megawatt-hours (MWh), representing over 1% of the total U.S. electricity mix, or enough to power nearly a third of U.S. households for a month. In 2014, there were over 836,000 retail purchasers of Green-e certified renewable energy, including 50,000 businesses.

Stakeholder-driven standards supported by rigorous verification audits and semiannual reviews of marketing materials ensure robust customer disclosure and are pillars of Green-e Certification. Through these audits and reviews CRS is able to provide independent third-party certification of renewable energy products. Green-e program documents, including the standards, Code of Conduct, and the annual verification report, are available at www.green-e.org. CRS has also has a long history of working with state agencies to design and implement consumer protection policies that ensure accurate marketing and avoid double counting of individual resources towards multiple end uses.

Introduction

Our comments are in response to the following from December 10, 2015 "Notice Soliciting Comments On Environmental Disclosure Labeling Program:"

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"Under current practice, an [Environmental Disclosure Labeling Program] EDP label is based on the environmental attributes of the energy the LSE purchases and is not affected by the separate purchase or sale of Renewable Energy Certificates (RECs) or other unbundling of energy and attributes. […]

the draft [operating] rules [for NYGATS] allow for the transacting of unbundled attributes, separate and apart from the underlying energy. In addition, the NYGATS Draft Operating Rules permit the importation and exportation of RECs, with and without the accompanying energy.

If Staff continued to operate EDP under the current practices after the implementation of NYGATS pursuant to the proposed operating rules, inconsistencies between EDP and NYGATS could create substantial confusion and uncertainty regarding the effect of unbundling, transferring, importing, or exporting generation attribute certificates. For example, some purchases of RECs that would not affect labels under current EDP rules would be valid transfers based on proposed NYGATS rules. As a result, the EDP would require significant and substantive rule changes in order to conform to the proposed NYGATS rules.

Therefore, comments will be accepted regarding the following:

- *Whether Staff should continue to operate EDP independent of NYGATS.*
- *Whether EDP rules should be modified to achieve consistency with NYGATS.*
- *Whether, if EDP is terminated, it should be replaced by another disclosure program and whether that program should be integrated with or independent of NYGATS."*

Comments

1. <u>EDP, and any replacement disclosure program for New York, should rely on NYGATS for verification of fuel source and environmental attribute information delivered to customers.</u>

NYGATS, as proposed according to October 27, 2015 Draft Operating Rules, represents a modern, robust all-generation electronic tracking system and the most sophisticated mechanism for tracking and verifying electricity procurement, delivery, and consumption on a shared distribution grid. There is no more accurate or better alternative mechanism to provide this verification, which should be the basis of all procurement, delivery and consumption claims, including the disclosure to customers through EDP labels. Use of an alternative tracking and verification mechanism/method for EDP, which would nevertheless be required if EDP operated independent of NYGATS, could also lead to double counting unless it were aligned exactly with NYGATS.

2. <u>NYGATS, as proposed according to October 27, 2015 Draft Operating Rules, does not require a change to the eligibility rules for EDP.</u>

The ability for NYGATS to track unbundled attributes does not necessitate a change to EDP rules. The PSC can continue to require that EDP labels disclose only bundled, direct deliveries of power, and the NYGATS system can be used to verify this information and prevent double counting.[1] In this case, tracked information on unbundled and other transactions that are not eligible under EDP (e.g. imported RECs) in NYGATS would simply represent extra, irrelevant information for the purposes of EDP, though it may be used for other purposes, for example, voluntary transactions of renewable energy. Serialized

[1] All transactions and deliveries, whether bundled or unbundled, should be substantiated with certificate retirement in the all-generation tracking system to prevent double counting and double claiming.

tracking and retirement of generation in NYGATS will make different volumes (e.g. EDP eligible, EDP non-eligible, Green-e voluntary, etc.) easy to identify and differentiate for suppliers and retail customers in New York. We see no reason why this apparent inconsistency between NYGATS (which tracks broader information) and EDP (which reflects a narrower subset of LSE purchases/deliveries supported by NYGATS) would complicate the current EDP or create substantial confusion and uncertainty.

However, ideally—in order for customers in New York to receive the most accurate information about the attributes of their electricity—EDP labels should reflect all purchases made by LSEs, including purchases of unbundled attributes intended to be matched with electricity delivered to their customers, since these transactions are contractually and functionally equivalent with respect to the delivery of claims and benefits to customers. Utilities cross state borders and they buy and sell electricity outside of their footprint and outside individual states. Rules for power source disclosure should not necessarily be dictated by state boundaries or programs and policies that center on state-specific emissions. Also, whether generation attributes are delivered with (bundled) or separate from electricity (unbundled) has no bearing whatsoever on the delivery of those attributes and customer's claim to receipt of those attributes, which is precisely what is being communicated in EDP.

3. <u>We support changes to EDP rules which would allow labels to include information about procurement of unbundled attributes on behalf of customers.</u>

We therefore support a change to EDP rules to reflect LSE procurement of unbundled attributes, and in fact all procurement regardless of the type of contract for the purposes of delivery to customers in New York. If desired, certain purchase/contract types can be identified separately on the EDP label, if deemed important to customers, provided no other information related to fuel type or other generation attributes is concealed as a result,[2] and provided that the presentation of this information is not misleading about the value of unbundled attributes vs. bundled electricity to New York customers. Other information, such as the location of generation can be disclosed as well.

4. <u>The PSC should discontinue use of conversion transaction reports.</u>

Relying on NYGATS for tracking should eliminate the need for conversion transaction reports. Green-e is supportive of this change, as it will reduce administrative burdens for voluntary market participants.

5. <u>EDP labels must not include voluntary renewable energy.</u>

To prevent double counting, it is important that voluntary sales of renewable energy (bundled or unbundled), and especially sales of Green-e certified renewable energy products, do not appear on environmental disclosure labels received by all customers or non-subscribers to voluntary and Green-e certified programs and products. Any label disclosures about Green-e certified products (utility green pricing, unbundled REC, or competitive electricity product) must be made separately. If a LSE customer is receiving the standard mix, Green-e certified renewable energy must not be part of their label.

[2] If the PSC decides that disclosure of the type of contractual instrument used is important for consumer protection, this should not reduce disclosure of fuel type or misrepresent the type of instrument (e.g. unbundled RECs) as a separate fuel type—the type of contract must be disclosed within or associated with each resource type.

Thank you for your consideration of our comments and please contact me with any questions, to discuss further, or if we can otherwise be of assistance.

Sincerely,

Todd Jones
Senior Manager, Policy and Climate Change Programs

Attachments

- December 4, 2015 Green-e Program Staff Comments on NYGATS Draft Operating Rules, Issued October 27, 2015
- June 12, 2015 CRS comments on California Energy Commission Rulemaking to Consider Modifications to the Electricity Generation Source Disclosure Regulations and re-Rulemaking Draft Regulations to the Power Source Disclosure Program

ATTACHMENTS

[SUBMITTED ELECTRONICALLY TO: nygats@nyserda.ny.gov]

December 4, 2015

Ms. Doreen Harris
Program Manager, Large Scale Renewables
New York State Energy Research and Development Authority (NYSERDA)
17 Columbia Circle
Albany, NY 12203-6399

RE: Green-e® Program Staff Comments on New York Generation Attribute Tracking System (NYGATS) Draft Operating Rules, Issued October 27, 2015

Dear Ms. Harris,

Green-e® Program Staff appreciates this opportunity to comment on the October 2015 NYGATS Draft Operating Rules.

Background on Green-e®

Green-e is a program of Center for Resource Solutions (CRS), a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. Green-e Energy is the leading certification program for voluntary renewable electricity products in North America. In 2014, Green-e Energy certified retail sales of 38 million megawatt-hours (MWh), representing over 1% of the total U.S. electricity mix, or enough to power nearly a third of U.S. households for a month. In 2014, there were over 836,000 retail purchasers of Green-e certified renewable energy, including 50,000 businesses. Stakeholder-driven standards supported by rigorous verification audits are a cornerstone of Green-e and enable CRS to provide independent third-party certification of environmental commodity transactions. The Green-e environmental and consumer standards are overseen by an independent governance board of industry experts, including representatives from environmental nonprofits, and consumer advocates. Our standards have been developed and are periodically revised through an open stakeholder process. All Green-e program documents are available at www.green-e.org.

Comments on Draft Operating Rules

1. Green-e strongly supports certificate tracking to support a robust voluntary renewable energy market in New York.

Green-e strongly supports the clearly articulated function of NYGATS in the Draft Operating Rules to substantiate the fulfillment and verification of claims that suppliers and marketers may make when selling renewable electricity or renewable energy certificates (RECs) to customers through voluntary green power markets, and therefore to facilitate the development of the voluntary market in New York.

In 2014, there were 18 unique renewable energy generation facilities in New York, with a total capacity of over 1,600 megawatts (MW), supplying 239,000 MWh of Green-e certified renewable energy to

voluntary buyers. New York businesses and individuals bought nearly 2.2 million MWh of Green-e certified renewable energy in 2014. We believe this will represent a significant proportion of transactions in NYGATS and that the voluntary market and voluntary consumers would benefit from the additional transparency that NYGATS will provide.

Apart from verification of voluntary transactions to ensure correct and exclusive delivery to voluntary consumers, NYGATS will also support the accuracy of state fuel source disclosure and prevent double claims on renewable generation attributes. For example, Green-e certified renewable energy must not be included in the fuel disclosure labels sent to all retail and non-Green-e customers. Serialized tracking and retirement of voluntary renewable energy in NYGATS will make these volumes easy to identify and differentiate for suppliers and retail customers in New York.

Whereas facilitating voluntary renewable energy transactions is a stated aim of NYGATS, we also support tracking system functionality that supports this aim and Green-e certification, such as tracking unbundled imports and exports, which is discussed further below.

2. Additional functionality is required for verification of Green-e certified bundled electricity products sold in the voluntary market.

In addition to certifying unbundled REC products, Green-e also certifies bundled electricity products for the voluntary market, including utility green pricing programs and renewable electricity products sold by competitive suppliers.

It is our understanding, though it is not sufficiently clear in the Draft Operating Rules, that "Retirement Subaccounts," as described in Sections 6.3 and 11.1 of the Draft Operating Rules, are proposed to be used in NYGATS only for unbundled certificates (i.e. certificates that are imported unbundled into New York or where energy was exported out of New York and certificates remain in New York), and that, for this reason, the list of dropdown reasons under retirement details for certificate used by an account holder for a Green-e Energy certified voluntary market sale in the Draft Operating Rules includes only "Unbundled Certificate." It is also our understanding that under the Draft Operating Rules, load serving entities (LSEs) will transfer bundled certificates (i.e. certificates associated with a utility green pricing program, for example) from their Active Subaccount to an Environmental Disclosure Program (EDP) Subaccount for purposes of the Environmental Disclosure Label, as described in Section 8 of the Draft Operating Rules. Certificates in the EDP Subaccount are automatically "retired" at the end of the year, to the label, with or without action by the LSE.

It is also our understanding that while there is no "retirement" option within the EDP Subaccount, LSEs can allocate certificates in this subaccount to retail (e.g. green) product options:

> "The LSE can optionally assign Certificates to retail products in the EDP Subaccount for purposes of additional reporting. Retail products, like Retirement reasons, may be selected from the Certificate transfer screen at the time of deposit into the EDP Subaccount. The transfer screen has a 'Retail Product Detail' field where the Account Holder can enter their retail product details (i.e. Utility Green Pricing Program)" (NYGATS Draft Operating Rules, Sec. 8.3, pg. 37).

Assuming these understandings are correct, we have a number of concerns and questions. Primarily, it is unclear whether the allocation of certificates in the EDP Subaccount to separate retail product reports will be sufficient for Green-e verification.

First, it is unclear to us whether LSE's will be required to use dropdown options to categorize/allocate certificates to retail products in the EDP Subaccount. The Table in section 6.3 and Table 11-1 could be repeated in Section 8, but in this case, the list of dropdown reasons under retirement details for certificate used by an account holder for a Green-e Energy certified voluntary market sale of bundled renewable energy must include "utility green pricing" and "green electricity product," which are meaningful categories for Green-e verification.

However, even with this change, the Draft Operating Rules do not provide enough clarity on how LSE's will allocate RECs and generate reports that will allow Green-e to verify retirement of RECs for sales of certified bundled renewable energy products.

Finally, it is important that voluntary sales of bundled renewable energy, and especially sales of Green-e certified bundled renewable energy products, are also excluded from the residual mix and must not appear on environmental disclosure labels received by all customers or non-subscribers to voluntary and Green-e certified programs and products. Any label disclosures about Green-e certified products (utility green pricing, unbundled REC, or competitive electricity product) must be made separately. If a LSE customer is receiving the standard mix, Green-e certified renewable energy must not be part of their label.

3. <u>More information is needed around project registration for customer-sited systems/projects.</u>

We understand that there are a large number of customer-owned renewable energy systems that New York has encouraged and that receive incentives from NYSERDA in exchange for the RECs. The Draft Operating Rules are not clear on how those systems in particular will be registered and who will be registering them. Specifically, where NYSERDA owns the certificates associated with generation at these systems, will NYSERDA then be registering these systems or will it be the customer? One concern is with ensuring that these systems are not registered more than once (e.g. once by NYSERDA and once by the customer), and another is with ensuring that the customer is sufficiently aware/informed that these systems are being registered and certificates are being issued in the case that NYSERDA is registering them.

4. <u>Green-e supports tracking of imports and and exports of certificates without accompanying energy (unbundled certificates) in NYSERDA.</u>

The transfer of certificates to and from compatible certificate tracking systems, both bundled and unbundled with energy, in NYGATS will support voluntary transactions and other purposes for which certificates may be eligible, now and in the future. Some NYGATS account holders may want access to other markets and RECs from out-of-state. This is also important functionality for anticipating any potential changes to Renewable Portfolio Standard (RPS) rules which could allow unbundled out-of-state RECs in the future. Tracking unbundled imports and exports may also reduce or prevent untracked transactions, as market participants attempt to work around the constraints of tracking systems. Supporting unbundled certificate imports and exports in NYGATS increases the likelihood that these transactions will be tracked, increases transparency, and reduces the risk of double counting. In addition, with new carbon markets emerging across the country, particularly associated with the U.S. Environmental Protection Agency's Clean Power Plan (CPP), there may be more national renewable energy trading for different state CPP and RPS requirements and more of a need for inter-registry coordination.

Thank you for your consideration of our comments and please contact me with any questions, to discuss further, or if we can otherwise be of assistance.

Sincerely,

Todd Jones
Senior Manager, Policy and Climate Change Programs

[SUBMITTED ELECTRONICALLY VIA EMAIL TO docket@energy.ca.gov]

June 12, 2015

Kevin Chou
Energy Analyst
California Energy Commission (CEC)
1516 Ninth Street, MS-45
Sacramento, CA 95814

RE: Docket No. 14-OIR-01 Docket Unit, MS-4. Center for Resource Solutions' (CRS's) comments on Rulemaking to Consider Modifications to the Electricity Generation Source Disclosure Regulations and Pre-Rulemaking Draft Regulations to the Power Source Disclosure Program

Dear Mr. Chou:

Center for Resource Solutions (CRS) appreciates the opportunity to comment on the Power Source Disclosure (PSD) Program Pre-Rulemaking Draft Regulations, released for public comment on May 14, 2015.

Background on CRS and Green-e®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS has broad expertise in renewable energy policy design and implementation, electricity product disclosures and consumer protection, and greenhouse gas (GHG) reporting and accounting. CRS administers the Green-e programs. Green-e Energy, in particular, is the leading certification program for voluntary renewable electricity products in North America. In 2013, Green-e Energy certified retail sales of 33.5 million megawatt-hours, enough to power over a quarter of U.S. households for a month. Almost 717,000 total retail customers purchase Green-e Energy certified products from 280 companies in 2013.

Stakeholder-driven standards supported by rigorous verification audits and semiannual reviews of marketing materials ensure robust customer disclosure and are pillars of Green-e Certification. Through these audits and reviews CRS is able to provide independent third-party certification of renewable energy products. Green-e program documents, including the standards, Code of Conduct, and the annual verification report, are available at www.green-e.org. CRS has also has a long history of working with state agencies to design and implement consumer protection policies that ensure accurate marketing and avoid double counting of individual resources towards multiple end uses.

In January of this year, the California Public Utilities Commission directed the three largest investor-owned utilities (IOUs) in the state—Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company, which together cover nearly 80% of the state—to

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offer a Green-e Energy certified 100% renewable energy option to their customers.[1] As such, these products will need to comply with Green-e requirements for product disclosure including product content labels.[2] According to the order, "Green-e Energy certification will also provide customers with standardized, understandable information on the energy's attributes."[3]

General Comments related to the Pre-rulemaking Draft Regulations

1. **In order to be accurate, all purchases made by utilities and CCAs, including purchases of out-of-state and/or unbundled renewable energy credits (RECs), should be included in disclosure to retail customers.**

The Draft Regulations appropriately include unbundled REC purchases with other bundled renewable electricity purchases within the total for "Eligible Renewable."[4] In particular, the following language in Section 1394(a)(2)(A)(3) of the Proposed Text of Draft Regulations for the Power Source Disclosure Program ("Proposed Text") reflects an appropriate and consistent treatment of RECs in PSD: "If a retail supplier purchases electricity for which WREGIS Certificates were issued but the retail supplier does not purchase the Certificates, the retail supplier shall identify the fuel type as 'unspecified sources of power' and shall disclose the facility from which the electricity was purchased."

PSD to electricity customers reflects the attributes of delivered electricity. The attributes of renewable generation, including fuel/resource type, are clearly and exclusively contained in the REC (WREGIS Certificate).[5] For a retail customer, the REC represents the attributes of renewable generation, exclusive claim to the delivery and ultimately use of renewable generation, and proof of renewable generation that has been added to the grid within Western power grid. Whether these attributes are delivered with ("bundled") or separate from electricity ("unbundled") has no bearing whatsoever on the delivery of those attributes and customer's claim to receipt of those attributes, which is precisely what is being communicated in PSD.

Questions/Requests for More Information regarding the Pre-rulemaking Draft Regulations

1. **Please clarify Section 1394(a)(2)(A)(3) of the Proposed Text: "[for the REC Only category, a retail supplier] shall disclose the facility from which the REC was purchased. Additionally, the supplier shall disclose the fuel type of the REC only purchase."**

[1] California Public Utilities Commission (CPUC). Decision 15-01-051 January 29, 2015. Decision Approving Green Tariff Shared Renewables Program for San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company pursuant to Senate Bill 43. Available online: http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M146/K250/146250314.PDF.

[2] Green-e's requirements for product content labels and other customer disclosure can be found in the Green-e Energy Code of Conduct, available online: http://www.green-e.org/getcert_re_stan.shtml#coccdr.

[3] *Ibid*. Section 5.4, pg. 90.

[4] Please see the Comments section below for our other concerns with the proposed "REC Only" category.

[5] CAL. PUB. UTIL. CODE § 399.12(h). Online at: http://www.leginfo.ca.gov/cgi-bin/displaycode?section=puc&group=00001-01000&file=399.11-399.32. Also see Western Electricity Coordinating Council, WREGIS Operating Rules (July 15, 2013). Section 2, pg. 2, 4-5. Available online at: https://www.wecc.biz/Corporate/WREGIS%20Operating%20Rules%20072013%20Final.pdf.

Though this requires that retail suppliers disclose the resource type within REC Only category purchases, it is not clear from the Proposed Test or example PCLs provided in the Staff Report where this disclosure of fuel type and facilities for REC only purchases would be located. Please clarify.

Below, we provide comments and recommendations for changes to the "REC Only" category.

2. **Please clarify Section 1392(c)(2)(B) of the Proposed Text: "The balancing authority is not required to provide the Energy Commission with any information submitted under subdivision (c) of this section for out-of-state power."**

The effect of this statement is unclear to us. Does this mean that power source disclosure will not include out-of-state generation where procured for delivery to retail customers? If so, this fails to accurately characterize delivered electricity by resource type. Utilities often buy and sell electricity outside of their footprint and outside individual states. Rules for PSD should not be dictated by state boundaries or programs and policies that center on state-specific electricity.

The response to this question at the May 28 workshop was that the intent was to include out-of-state power and that this represents an oversight and will be corrected. Please confirm and provide the recommended change.

Comments on the Pre-rulemaking Draft Regulations

1. **The specific phrasing of the footnote explaining the "REC Only energy resource" on the Power Content Label (PCL) is inaccurate.**

Appendix A(f)(4) of the Draft Regulations requires the following footnote to appear at the bottom of the PCL:

> "The REC Only energy resource refers to Renewable Energy Credits that were purchased by a retail seller and does not represent actual generated electricity."

Section 399.25 of the Draft Regulations and CAL. PUB. UTIL. CODE § 399.12(h) state that RECs represent proof that one unit of electricity was generated and delivered by an eligible renewable energy resource, making this footnote inaccurate. We recommend the following change to this footnote:

> "[…] refers to Renewable Energy Credits that were purchased by a retail seller ~~and does not represent actual generated electricity~~ separate from the electricity associated with those Certificates."

2. **The proposed "REC Only" resource category is likely to be misleading. CRS recommends modification and changes to the layout of the PCL.**

"REC Only" is not an energy resource. Presenting "REC Only" as a separate energy resource category misrepresents unbundled RECs as including something other than the eligible resource types above it, or in fact as a "non-resource type," which is even more confusing. Rather, this is a category based on the nature of the underlying contractual instrument, which is not directly related to fuel source or the effective delivery of attributes. Though the value of this disclosure to retail consumers is unclear, if the Commission decides that disclosure of the type of instrument used for delivery of renewable attributes is important for consumer protection, we suggest that it explore alternative mechanisms for conveying

this information other than on the PCL, such as more detailed reports from electricity suppliers. Effectively communicating what RECs are and the role they play in all renewable energy purchasing and delivery to load is complex and we have found this requires more space and language than is typically available on a PCL.

However, if the Commission decides both that disclosure of the type of instrument used is important for consumer protection and that this disclosure should be done on the PCL, first, this should not reduce disclosure of fuel type or misrepresent unbundled RECs as a fuel type—the type of contract must be disclosed within or associated with each resource type. For example, the "wind" sub-resource type could be broken out into bundled and unbundled purchases.

Second, the use of word "only" in "REC Only" suggests that something is missing relative to the other resource categories, when in fact nothing is missing since all retail customers are receiving electricity and the electricity from specified renewable facilities is "null" without the REC. We therefore suggest using the common terminology in the industry instead: "bundled" and "unbundled." In this case, footnotes will be necessary to explain these terms (similar to the current footnote explaining "REC only").

Third, a better description of RECs on the PCL will be useful to customers—for example: "'Renewable energy credit' is a certificate of proof that one unit of electricity was generated and delivered by an eligible renewable energy resource, and it includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource."

See our suggested sample Product Content Label as Figure 1 below.

Figure 1. Suggested Sample Power Content Label, Version 1

POWER CONTENT LABEL

ENERGY RESOURCES	POWER MIX[I]	2009 POWER MIX (for comparison)[V]
Eligible Renewable	**17%**	**12%**
Biomass & Biowaste	3%	2%
Bundled[II]	3%	2%
Unbundled REC[III]	0%	0%
Geothermal	5%	3%
Bundled[II]	5%	3%
Unbundled REC[III]	0%	0%
Small Hydroelectric	3%	2%
Bundled[II]	3%	2%
Unbundled REC[III]	0%	0%
Solar	1%	<1%
Bundled[II]	0%	<1%
Unbundled REC[III]	1%	0%
Wind	5%	3%
Bundled[II]	1%	0%
Unbundled REC[III]	4%	3%
Other Renewable	0%	0%
Bundled[II]	0%	0%
Unbundled REC[III]	0%	0%
Coal	**8%**	**8%**
Large Hydroelectric	**15%**	**9%**

Natural Gas	**32%**	**42%**
Nuclear	**8%**	**13%**
Other	**<1%**	**0%**
Unspecified sources of power[IV]	**20%**	**16%**
TOTAL	**100%**	**100%**

[I]The information and percentages provided by the power content label does not represent or imply any correlation with the California Renewables Portfolio Standard and its compliance measures. For more information on the California RPS program, visit www.energy.ca.gov/portfolio.
[II]"Bundled" refers to purchases of electricity and Renewable Energy Credits by a retail seller.
[III]"Unbundled" refers to Renewable Energy Credits that were purchased by a retail seller separate from the electricity associated with those Certificates. "Renewable energy credit" is a certificate of proof that one unit of electricity was generated and delivered by an eligible renewable energy resource, and it includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource.
[IV]"Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.
[V] Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact **Company Name**. For general information about the Power Content Label, contact the California Energy Commission at 1-844-217-4925 or www.energy.ca.gov/consumer.

Alternatively, to resolve these issues, the apparent intent of the "REC Only" category and disclosure of unbundled and bundled renewable energy purchases can be achieved with a footnote on the eligible renewables category. In this case, the PCL would simply report the eligible renewable resource categories and specify whether bundled or unbundled purchases were used in a footnote rather than in the table itself. See our suggested sample Product Content Label as Figure 2 below.

Figure 2. Suggested Sample Power Content Label, Version 2

POWER CONTENT LABEL

ENERGY RESOURCES	POWER MIX[I]	2009 POWER MIX (for comparison)[IX]
Eligible Renewable[II]	**17%**	**12%**
Biomass & Biowaste[III]	3%	2%
Geothermal[IV]	5%	3%
Small Hydroelectric[V]	3%	2%
Solar[VI]	1%	<1%
Wind[VII]	5%	3%
Other Renewable	0%	0%
Coal	**8%**	**8%**
Large Hydroelectric	**15%**	**9%**
Natural Gas	**32%**	**42%**
Nuclear	**8%**	**13%**
Other	**<1%**	**0%**
Unspecified sources of power[VIII]	**20%**	**16%**
TOTAL	**100%**	**100%**

[I]The information and percentages provided by the power content label does not represent or imply any correlation with the California Renewables Portfolio

Standard and its compliance measures. For more information on the California RPS program, visit www.energy.ca.gov/portfolio.
[II] Purchases of renewable energy by a retail seller are either "bundled," which refers to purchases of electricity and Renewable Energy Credits by a retail seller, or "unbundled," which refers to Renewable Energy Credits that were purchased by a retail seller separate from the electricity associated with those Certificates. "Renewable energy credit" is a certificate of proof that one unit of electricity was generated and delivered by an eligible renewable energy resource, and it includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource.
[III] Purchases of Biomass & Biowaste were bundled purchases.
[IV] Purchases of Geothermal were bundled purchases.
[V] Purchases of Small Hydroelectric were bundled purchases.
[VI] Purchases of Solar were unbundled purchases.
[VII] Purchases of Wind were 1% bundled and 4% unbundled purchases.
[VIII] "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.
[IX] Percentages are estimated annually by the California Energy Commission based on the electricity sold to California consumers during the previous year.

For specific information about this electricity product, contact **Company Name**. For general information about the Power Content Label, contact the California Energy Commission at 1-844-217-4925 or www.energy.ca.gov/consumer.

3. The word "eligible" in the "Eligible Renewable" resource category could be removed.

We agree with the views of some expressed at the May 28 workshop that to the extent that power source disclosure is unrelated to the Renewable Portfolio Standard, marking a resource as "eligible" may be misleading. If the Commission adheres to the requirement to separate the RPS obligations from PSD, then it is unclear to what the word "eligible" is referring. This category appears to conflate two separate obligations of the power provider and two distinct concepts in the minds of consumers.

4. If GHG emissions disclosures are to be included as a part of power source disclosure, calculations should conform to international best practice.

To the extent that it was suggested at the May 28 workshop that PSD also include GHG emissions calculations, such calculations and disclosure would exist within the context of national and international determinations around best practice for GHG accounting for electricity delivered to retail customers.

The use of RECs as the basis for customer GHG claims for purchased renewable electricity (Scope 2 GHG emissions accounting) in the United States, and the lack of distinction between unbundled REC purchases and bundled renewable electricity purchases with respect to Scope 2 accounting, is consistent with best practices for market-based Scope 2 emissions calculations and reporting, which are set internationally by the World Resources Institute (WRI).[6] WRI's updated GHG Protocol Scope 2 Guidance was finalized in January after a four year long technical working group and multi-stakeholder engagement process involving hundreds of stakeholders from 23 countries, in which CRS was an active participant.

The Scope 2 guidance says:

[6] Sotos, M. (2015) *GHG Protocol Scope 2 Guidance: An Amendment to the GHG Protocol Corporate Standard*. World Resources Institute. Available online: http://www.wri.org/sites/default/files/Scope_2_Guidance_Final.pdf.

> "Utility-specific emission factors shall be calculated based on delivered electricity, incorporating certificates sourced and retired on behalf of its customers. Electricity from renewable facilities for which the attributes have been sold off (via contracts or certificates) shall be characterized as having the GHG attributes of the residual mix in the utility or supplier-specific emission factor;"[7] and
>
> "When using a supplier-specific emission factor, companies should seek to ensure that: [...] the utility or supplier discloses whether and how certificates are used in the emission factor calculation, unless there is third-party certification of the utility product. In particular, companies should seek to ensure that if the supplier has a differentiated product (e.g. a renewable energy product or tariff), the certificates or other contracts used for that product should be used only for that product and not counted in the standard product offer. [And] That the supplier-specific emission factor includes emissions from all the energy delivered by the utility, not just the generation assets owned by the supplier (e.g. what is required by some fuel mix disclosure rules). Many suppliers purchase significant portions of their energy from other generators via contracts, or through the spot market. The emission factor should reflect the emissions from all of these purchases. A supplier-specific emission rate can also reflect certificates retired for compliance purposes (such as U.S. state RPS programs) which also convey attributes for public benefit and claims."[8]

These rules set by WRI have been implemented by GHG inventory and reporting systems like The Climate Registry (TCR) and CDP (formerly the Carbon Disclosure Project), which are used by thousands of companies, organizations, governmental agencies, and municipalities reporting their emissions associated with purchased electricity (Scope 2 emissions). TCR's guidance for developing utility-specific delivery metrics can be found in Chapter 19 of its Electric Power Sector (EPS) Protocol.[9] After TCR members have reported and verified this information, their utility-specific emission factors are published on the TCR website. TCR is in the process of updating this section of the EPS Protocol to be in conformance with WRI's Scope 2 Guidance.

There is also agreement by the U.S. Environmental Protection Agency (EPA), the U.S. Department of Energy (DOE), and the U.S. Federal Trade Commission (FTC), among others, on the supremacy of RECs, whether bundled or unbundled, for making claims about the emissions associated with delivered renewable electricity.[10]

Thank you very much for the opportunity to comment. We would be happy to supply any other supporting or clarifying information that would be helpful.

Sincerely,

Todd Jones
Senior Manager, Policy and Climate Change Programs

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[7] *Ibid*. Section 7.1, Table 7.1, pg. 60.
[8] *Ibid*. Section 6.11.3, pg. 56.
[9] Available online: http://www.theclimateregistry.org/tools-resources/reporting-protocols/electric-power-sector-protocol/.
[10] Jones, T. (2014) *The Legal Basis of Renewable Energy Certificates*. Center for Resource Solutions. Available online at: http://www.resource-solutions.org/pub_pdfs/The%20Legal%20Basis%20for%20RECs.pdf