



September 20, 2019

Therese Hampton, Regional Issues Forum Chair  
Western Energy Imbalance Market  
P.O. Box 639014  
Folsom, CA 95630

**RE: Comments of Center for Resource Solutions (CRS) on the Summary of Issues for the June 2019 Carbon Workshop at the Western Energy Imbalance Market (EIM) Regional Issues Forum (RIF)**

Dear Therese,

Thank you for helping organize the June 2019 Carbon Workshop (“Workshop”) and for preparing this Summary of Issues (“Summary”). We think it is helpful to have this document as a summary of topics discussed and questions raised during the Workshop in order to guide and inform future discussions of these topics. We generally agree with the presentation of challenges and considerations in the Summary. We have provided a few brief comments below.

First, whereas “state carbon policies have different points of regulation” is listed as a greenhouse gas (GHG) attribution challenge, based on the discussion at the Workshop, the point of regulation (e.g. generator, importer, or load-serving entity) seemed less important than the type of GHG regulation—what emissions are regulated and accounted for in different states. For example, we discussed programs that account for emissions from generators located in the state (“source-based” accounting) and programs that account for emissions associated with generation serving load in a state (“load-based” accounting). This determines what needs to be tracked and how, and potential interactions with neighboring policies. While a certain point of regulation may typically correspond to a type of GHG regulation, it does not determine it.

Second, we disagree with the following statement: “In California, a REC is a compliance instrument for an RPS program and not a measure (or lack thereof) of emissions, however, regulations for RPS compliance vary by western states. Some states do recognize the emission benefits associated with a REC” (pg. 2-3 of the Summary). Renewable energy credits (RECs) in California contain all environmental attributes, not excluding the direct GHG emissions (CAL. PUB. UTIL. CODE § 399.12 (h)(2)), and the primary benefits of the Renewable Portfolio Standard (RPS) explicitly include: “reducing emissions of greenhouse gases associated with electrical generation” (CAL. PUB. UTIL. CODE § 399.11(b)(4)), complimenting cap-and-trade. In fact, the REC does represent the emissions attributes for RPS across the board in the West including for all power contracts.

Third, we introduced all-generation certificate tracking as a potential tool for assigning attributes to power in the EIM. Perhaps there is an opportunity to mention this in the Summary. There are examples of this in other markets, and the existing Western Renewable Energy Generation Information System (WREGIS) could be modified to track all generation, for example. This may help to create more consistency within the West and bundling of certificates could be used to differentiate carbon-free power in the market. For example, bidders could include whether or not RECs are attached to the bid. This can be automated, and we do not think it would be very different administratively from what the California Independent System Operator (CAISO) is trying to do now.

We recommend continuing the conversation on this topic at the EIM RIF in the future and we would be happy to present and otherwise participate at those future meetings.

Sincerely,

\_\_\_\_\_/s/\_\_\_\_

Todd Jones

Director, Policy