

ATTACHMENT C

PROPOSED REGULATION ORDER

PROPOSED AMENDMENTS TO THE AB 32 COST OF IMPLEMENTATION FEE REGULATION

This appendix shows only proposed amendments to the AB 32 Cost of Implementation Fee Regulation (title 17, California Code of Regulations, section 95200 et seq.). The proposed amendments are made to section 95202 (Definitions) of the regulation. NOTE: Changes to the regulation are shown in underline; deletions from the regulation are shown in ~~strikeout~~. "****" indicates that sections of regulation not printed are not changed.

Amend Division 3, Chapter 1, Subchapter 10, Article 3, section 95202, title 17, California Code of Regulations to read as follows:

Article 3: Fees

Subarticle 1: AB 32 Cost of Implementation Fee Regulation

§ 95202. Definitions.

(a) For the purposes of this subarticle, the following definitions shall apply:

*** [No changes]

- (6) "Asset-controlling supplier" means any entity that owns or operates electricity generating facilities or serves as an exclusive marketer for certain generating facilities even though it does not own them, and is assigned a supplier-specific identification number and specified source emission factor by ARB for the wholesale electricity procured from its system and imported into California. ~~Bonneville Power Administration (BPA) is recognized by ARB as an asset-controlling supplier.~~

*** [No changes]

- (31) "Cogeneration" means an integrated system that produces electric energy and useful thermal energy for industrial, commercial, or heating and cooling purposes, through the sequential or simultaneous use of the original fuel energy. Cogeneration must involve generation of electricity and useful thermal energy and some form of waste heat recovery. Some examples of cogeneration include: (Aa) a gas turbine or reciprocating engine generating electricity by combusting fuel, which then uses a heat recovery unit to capture useful heat from the exhaust stream of the turbine or engine; (Bb) steam turbines generating electricity as a byproduct of steam generation through a fired boiler;

(C) Cogeneration systems in which the fuel input is first applied to a thermal process such as a furnace and at least some of the heat rejected from the process is then used for power production. For the purposes of this subarticle, a combined-cycle power generation unit, where all of the generated steam is used for electricity generation, none of the generated thermal energy is used for industrial, commercial, or heating and cooling purposes (these purposes exclude any thermal energy utilization that is either in support of or a part of the electricity generation system), is not considered a cogeneration unit.

*** [No changes]

(39) “Continuous physical transmission path” means the full transmission path shown in the physical path table of a single NERC e-tag from the first point of receipt closest to the generation source to the final point of delivery closest to the final sink. This is one criterion to establish direct delivery.

*** [No changes]

(4344) “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;
- (B) The facility has a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area;
- (C) The electricity is scheduled for delivery from the specified source into a California balancing authority via a continuous physical transmission path from interconnection of the facility in the balancing authority in which the facility is located to a final point of delivery sink located in the State of California; or
- (D) There is an agreement to dynamically transfer electricity from the facility to a California balancing authority.

*** [No changes except to renumber]

(4950) “Electricity importers” ~~are marketers and retail providers that deliver imported electricity.~~ For electricity that is scheduled with a NERC e-Tag to a final point of delivery inside the State of California, delivered between balancing authority areas, the electricity importer is identified on the NERC ~~E-e-t~~Tag as the purchasing-selling entity (PSE) on the last segment of the tag’s physical path with the point of receipt located outside the State of California and the point of delivery located inside the State of California. For facilities physically located outside the State of California with first point of interconnection to a California

balancing authority's transmission and distribution system, when the electricity is not scheduled on a NERC e-Tag, the importer is the facility operator or scheduling coordinator. Federal and State agencies are subject to the regulatory authority of ARB under this article and include Western Area Power Administration (WAPA), Bonneville Power Administration (BPA), and California Department of Water Resources (DWR).

*** [No changes except to renumber]

- (63) "Final point of delivery" means the sink specified on the NERC e-Tag, where defined points have been established through the NERC Registry. When NERC e-Tags are not used to document electricity deliveries, as may be the case within a balancing authority, the final point of delivery is the location of the load. Exported electricity is disaggregated by the final point of delivery on the NERC e-Tag.
- (6264) "First deliverer of electricity" or "first deliverer" means either the owner or operator of an electricity generating facility in California, or an electricity importer.
- (65) "First point of delivery in California" means the first defined point on the transmission system located inside California at which imported electricity and electricity wheeled through California may be measured, consistent with defined points that have been established through the NERC Registry.
- (66) "First point of receipt" means the generation source specified on the NERC e-Tag, where defined points have been established through the NERC Registry. When NERC e-Tags are not used to document electricity deliveries, as may be the case within a balancing authority, the first point of receipt is the location of the individual generating facility or unit, or group of generating facilities or units. Imported electricity and wheeled electricity are disaggregated by the first point of receipt on the NERC e-Tag.

*** [No changes except to renumber]

- (8388) "Liquefied petroleum gas" or "LP-Gas" or "LPG" means a flammable mixture of hydrocarbon gases used as a fuel. LPG is a natural gas liquid (NGL) that is ~~can be mixtures of~~ primarily a mixture of propane, primarily and butane, or mixtures of propane or butane with small amounts of propene (propylene) and ethane. The most common specification categories are propane grades HD-5, HD-10, and commercial grade propane, and propane/butane mix. ~~LPG includes~~

~~propane grades HD-5, HD-10, and commercial grade propane.~~ LPG also includes both odorized and non-odorized liquid petroleum gas, and is also referred to as ~~LGP, GLP, LP-Gas~~ and propane.

*** [No changes except to renumber]

(~~95~~ 100)“Natural gas” means a naturally occurring mixture or process derivative of hydrocarbon and non-hydrocarbon gases found in geologic formations beneath the earth’s surface, of which its constituents include methane, heavier hydrocarbons and carbon dioxide. Natural gas may be field quality (which varies widely) or pipeline quality. For the purposes of this subarticle, the definition of natural gas includes similarly constituted fuels such as field production gas, process gas, and fuel gas.

*** [No changes except to renumber]

(~~406~~111) “Point of delivery” or “POD” means the point on an electricity transmission or distribution system where a deliverer makes electricity available to a receiver, or available to serve load. This point can be an interconnection with another system or a substation where the transmission provider’s transmission and distribution systems are connected to another system, or a distribution substation where electricity is imported into California over a multi-jurisdictional retail provider’s distribution system.

(112) “Point of receipt” or “POR” means the point on an electricity transmission or distribution system where an electricity receiver receives electricity from a deliverer. This point can be an interconnection with another system or a substation where the transmission provider’s transmission and distribution systems are connected to another system.

*** [No changes except to renumber]

(131) “Sink” or “sink to load” or “load sink” means the sink identified on the physical path of NERC e-Tags, where defined points have been established through the NERC Registry. Exported electricity is disaggregated by the sink on the NERC e-Tag, also referred to as the final point of delivery on the NERC e-Tag.

*** [No changes except to renumber]

(~~434~~141)“Unspecified source of electricity” or “unspecified source” means a source of electricity procured and delivered without limitation at the time of a transaction to a specific facility’s or unit’s generation that is not a specified source at the time of entry into the transaction to procure

~~the electricity. Unspecified sources contribute to the bulk system power pool and typically are dispatchable, marginal resources that do not serve baseload.~~

*** [No changes except to renumber]

NOTE: Authority cited: Section 38510, 38597, 39600 and 39601, Health and Safety Code.
Reference: Sections 38530, 39600 and 39601, Health and Safety Code.