



Date: **October 26, 2023**

To: **California Air Resources Board**

Re: **Comments of East Bay Community Energy on California Public Workshop:
Potential Amendments to the Cap-and-Trade Regulation**

East Bay Community Energy (EBCE) appreciates the opportunity to provide these comments in response to the October 4th California Public Workshop: Potential Amendments to the Cap-and-Trade Regulation. EBCE provides comments based on our extensive experiences as the default Load Serving Entity (LSE) for Alameda County.

Introduction

EBCE is a public agency serving customers in Alameda and San Joaquin Counties, providing electric generation service to approximately 640,000 accounts across residential and commercial customers. We provide renewable energy at competitive rates for our customers. EBCE secures electrical energy and manages energy-related climate change programs on behalf of our Joint Power Authority (JPA) member communities' residents and businesses. As the nonprofit public power provider and default LSE, EBCE delivers electricity with higher renewable energy content at a reduced cost to customers through the incumbent investor-owned utility's transmission and distribution system (PG&E). Since EBCE's 2018 launch, two additional cities in Alameda County (Newark and Pleasanton) have joined the JPA along with the City of Tracy in San Joaquin County.

EBCE procures a diverse resource portfolio (which includes PCC1 and PCC2) and takes pride in going above and beyond statewide renewable energy mandates to achieve our goals to procure 100% RE by 2030. EBCE provides the following feedback in response to the Potential Amendments to the Cap-and-Trade Regulation, based on the prompted questions:

How should CARB align the RPS adjustment with state climate policy?

Update Measurements for Unspecified Power. EBCE encourages CARB to investigate methods to update the carbon intensity factor for power from unspecified resources. This updated factor could be akin to California "grid mixture" electricity generation, which adjusts its carbon intensity (CI) measures annually proportionate to increases in RE penetration.

Currently, multiple agencies use a static figure to represent unspecified power (i.e., 0.428 CO₂e). That said, the CI for unspecified resources is more dynamic, and will depend on a variety of factors including time of day, season, and others. These differences could be captured in various ways and reflected in a more accurate and updated CI for unspecified power within the Cap-and-Trade Regulation. As such, EBCE encourages CARB to evaluate the use of a more granular measure for unspecified resources.

Should the RPS adjustment be phased out? If so, what timeline should be considered for a phase out?

Hold Further Workshops to Specifically Discuss an Appropriate Phaseout of the RPS Adjustment. EBCE does not encourage the phase out of the RPS adjustment until there is an opportunity for further discussion among stakeholders regarding timing and its related market impact. For LSEs like EBCE, timing for the RPS Adjustment removal is critical as it has the potential to further disrupt already constrained RPS procurement and could have an unintended impact on development counter to statewide goals. As such, EBCE highly recommends further assembly of stakeholders in situations similar to EBCE (e.g., LSE's, obligated entities, counterparties, and others) and encourages CARB to utilize the rulemaking to work with stakeholders most likely to be impacted by the change, to establish an appropriate phase out of the RPS Adjustment. To accomplish this, EBCE encourages CARB to hold additional workshops to specifically discuss the timing and associated impacts of phasing out the RPS adjustment.

Conclusion

EBCE thanks CARB for the opportunity to provide these comments in response to the October 4th California Public Workshop. We also look forward to working with CARB to further discuss adjustments to the regulation. In summary, to strengthen the Cap-and-Trade Regulation, CARB should consider:

- Updating measurements for unspecified power, and
- Hold further workshops to specifically discuss the timing and associated impacts of phasing out the RPS Adjustment

Please reach out to Paul D. Hernandez, Principal Regulatory Manager, with questions or for clarification regarding these comments.

Respectfully submitted,

-Paul D. Hernandez

Principal Regulatory Manager, Transportation Electrification

East Bay Community Energy