

Power Source Disclosure Report: Self-Attestation and Audit Overview



Agenda

1. Regulatory Background
2. What is the Power Source Disclosure (PSDR) Program
3. How is the PSDR Filing Prepared
4. Auditing and Verification
5. Options for Compliance



Regulatory Background

- The California State Legislature passed Senate Bill (SB) 1305 in 1997, establishing the Power Source Disclosure Program in order to provide retail electricity consumers “accurate, reliable, and simple to understand information on the sources of energy that are used to provide electric services.”
- Assembly Bill (AB) 162, adopted in 2009, modified the reporting requirements of SB 1305. AB 162 requires all retail suppliers of electricity in California (CA) to disclose the sources of the electricity they sell to customers using reporting formats developed by the California Energy Commission (CEC).
- In 2016, AB 1110 was passed which further modified the PSDR reporting requirements, including among other things, changes to reporting for unbundled Renewable Energy Credits (RECs) and requiring retail sellers to disclose the greenhouse gas (GHG) emissions factor associated with each electricity portfolio.
- The CEC updated the regulations implementing SB 1305, AB 162, and AB 1100 effective May 2020.
 - One of the updates made to the PSD regulations in 2020 was a change to the verification requirement.



What is the PSDR Program?

All electricity providers in CA are required to:

- Submit an annual report to the California Energy Commission (CEC)
 - The annual report discloses all electricity purchases for the previous calendar year
 - Reported as MWh by generation source as a percent of total retail sales
- Provide an annual Power Content Label (PCL) to customers and the CEC
 - PCL shows the power mix as a percentage breakdown of energy sources for each retail plan
 - Allows customers to compare their power content to the total CA mix and to other electricity providers



How the PSDR Filing is Prepared

Review Calendar Year Data

- RECs
- Carbon Free
- Retail sales by plan

Data Verification

- WREGIS
- Meter Data, E-Tags
- Invoices and contracts

Populate PSDR Templates

- Input by generation source
- Purchased MWh as a percent of sales
- Individual templates for each plan

Internal Review

- Content check
- Executive and Marketing review

Submission

- Submit to the CEC
- CEC review



Auditing and Verification

Prior to 2020, all LSEs were required to submit an audit, but in May of 2020 the CEC made updates to the PSDR Regulations implementing SB 1305, AB 162, and AB 1100; with that, a change was made allowing public agencies the *option* of submitting an audit or self-attestation to satisfy the verification requirement.

Current California Code Regulations for the PSDR program¹ state:

(a) By October of each year, all retail suppliers shall provide a report prepared by an auditor who has conducted the procedures identified in subdivision

(1) The retail supplier shall engage an auditor to verify the accuracy and completeness of data reported in the annual report submitted to the Energy Commission.

(2) A retail supplier that is a public agency providing electric services is not required to comply with the provisions of subdivision (a)(1) if the board of directors of the public agency submits to the Energy Commission an attestation of the veracity of each annual report and power content label for the previous year



Options for Compliance

1. Self-Attestation

- Following submission and CEC review of the PSDR filing, present an action item in which the Board attests to the best of their knowledge that the filing was complete and prepared according to the regulations of the program

2. Engage with an auditor

- Following submission and CEC review of the PSDR filing, engage a third-party auditor to review underlying data used to prepare the PSDR filing and attest to the best of their knowledge that the filing was complete and prepared according to the regulations of the program
- Separate report must be prepared by product at a cost of \$4500-\$6000/product



Questions?

