

From: Kochanowsky, Amy E.
Sent: 7/23/2014 10:19:03 AM
To: Franz, Damon A. (damon.franz@cpuc.ca.gov); 'Kinports, Dean A.' (DAKinports@semprautilities.com); Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1); [Redacted]
[Redacted]
[Redacted]; Houck, Jason (jason.houck@cpuc.ca.gov); 'Katie.sloan@sce.com' (Katie.sloan@sce.com); 'Grace.Vermeer@sce.com' (Grace.Vermeer@sce.com); 'Dawn C. Anaiscourt (dawn.anaiscourt@sce.com)' (dawn.anaiscourt@sce.com)
Cc:
Bcc:
Subject: RE: AB 1613 Follow Up Call

Hi all,

In thinking about the process for calculating the allowance reimbursement (the question I posed in my email below), I also wanted to ask how CHP facilities report "useful thermal output" to you. Is this actually metered, or is it estimated? If estimated, do you have a sense of this methodology and how reasonable it is?

Thanks,

Amy Kochanowsky

Emerging Procurement Strategies
Energy Division, California Public Utilities Commission
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From: Kochanowsky, Amy E.
Sent: Friday, July 18, 2014 4:40 PM
To: 'Kinports, Dean A.'; Franz, Damon A.; 'Dawn C. Anaiscourt (dawn.anaiscourt@sce.com)'; 'Jacobson, Erik B (RegRel)'; [Redacted] Houck, Jason; 'Katie.Sloan@sce.com'; [Redacted] 'Grace.Vermeer@sce.com'
Subject: RE: AB 1613 Follow Up Call

Hi all,

Thanks for the call today. I wanted to confirm your process to calculate the allowance reimbursement. What I understand is: $\text{payment} = (\% \text{ of energy output for exported electricity}) * (\text{fuel energy input}) * (\text{natural gas combustion emissions}) * (\text{Price})$. I've provided an illustrative example in the attached spreadsheet. Please take a look and let me know if that's what you were thinking, or if you have any clarifications.

<< File: Illustrative GHG payment calculation example.xls >>

Thanks and have a great weekend.

Amy Kochanowsky

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From: Kochanowsky, Amy E.
Sent: Friday, July 18, 2014 10:57 AM
To: Kinports, Dean A.; Franz, Damon A.; 'Dawn C. Anaiscourt (dawn.anaiscourt@sce.com)'; Jacobson, Erik B (RegRel); [Redacted] Houck, Jason; 'Katie.Sloan@sce.com'; [Redacted] 'Grace.Vermeer@sce.com'
Subject: RE: AB 1613 Follow Up Call

Hi all,

In addition to discussing which price index to use, I'm also hoping to understand how utilities propose to then use this price to calculate the payment to the CHP facility when the CHP facility buys GHG allowances.

Can the utilities walk us through how you would use the price to settle the GHG payment (i.e., if utility payment to CHP = (\$/MTCO2e) * (MTCO2e), and the CPUC sets the \$/MTCO2e component, what information will the utilities use to calculate the MTCO2e component?).

Thanks,

Amy Kochanowsky

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-----Original Appointment-----

From: Kochanowsky, Amy E.
Sent: Friday, July 11, 2014 10:30 AM
To: Kochanowsky, Amy E.; Kinports, Dean A.; Franz, Damon A.; 'Dawn C. Anaiscourt (dawn.anaiscourt@sce.com)'; Jacobson, Erik B (RegRel); [Redacted] Houck, Jason; 'Katie.Sloan@sce.com'; [Redacted] 'Grace.Vermeer@sce.com'
Subject: AB 1613 Follow Up Call
When: Friday, July 18, 2014 1:00 PM-2:00 PM (UTC-08:00) Pacific Time (US & Canada).
Where: Energy [Redacted] Energy-Emerging Strat; Room 7535 (CPUC East/Energy Div)

Call in: [Redacted]
Passcode: [Redacted]

Meeting Objective: Utilities provide input on the pricing component of GHG compensation in AB 1613 Contracts

(1) which price index to use and why (e.g., Intercontinental Exchange (ICE), ARB Auction, CAISO's Greenhouse Gas Allowance Price Index, etc.)

(2) which index data to use (e.g., average price over a date range, price from a specific day, etc.).