

From: Kochanowsky, Amy E.
Sent: 8/20/2014 11:45:38 AM
To: Jacobson, Erik B (RegRel) (/O=PG&E/OU=Corporate/cn=Recipients/cn=EBJ1);
Redacted
Redacted 'Katie.sloan@sce.com'
(Katie.sloan@sce.com); 'Grace.Vermeer@sce.com' (Grace.Vermeer@sce.com);
'Kinports, Dean A.' (DAKinports@semprautilities.com); 'Dawn C. Anaiscourt
(dawn.anaiscourt@sce.com)' (dawn.anaiscourt@sce.com)
Cc: Franz, Damon A. (damon.franz@cpuc.ca.gov); Houck, Jason
(jason.houck@cpuc.ca.gov)
Bcc:
Subject: RE: AB 1613 Follow Up Call

Hi all,

I'm following up on our previous call regarding AB 1613 contracts and reimbursement to CHPs for cases when the CHPs buy GHG allowances. Based on information you provided in our last call, and some follow up from PG&E, the attached spreadsheet provides an example of how the IOUs would use the specified price index to calculate the reimbursement to the CHPs based on the contract terms (Section 3.03).

SCE and SDG&E, please let me know if you have any concerns with this, or if it's inconsistent with your interpretation of the contract terms.

Best,

Amy Kochanowsky

Emerging Procurement Strategies

Energy Division, California Public Utilities Commission

ak1@cpuc.ca.gov | (415) 703-3175

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.

<<Illustrative GHG payment calculation example.xls>>

Thanks and have a great weekend.

Amy Kochanowsky

Emerging Procurement Strategies

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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 = $(\$/\text{MTCO}_2\text{e}) * (\text{MTCO}_2\text{e})$, and the CPUC sets the $\$/\text{MTCO}_2\text{e}$ component, what information will the utilities use to calculate the MTCO_2e 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 866 811 6884 Energy-Emerging Strat; Room 7535 (CPUC East/Energy Div)

[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.).