



Power Content Label Frequently Asked Questions

What is 3CE's power mix/where do you source your energy from?

- 3CE procures electricity from clean and renewable energy sources such as wind, solar, and geothermal, and also purchases electricity from the grid to meet our customers' energy needs.
- 3CE has set a path for procuring 100% clean and renewable energy content ahead of state goals while maintaining responsible rates.

What does 3CE's zero percent natural gas figure in the PCL mean?

- The zero percent natural gas figure in 3CE's PCL refers specifically to specified purchases, which are power sources that are directly contracted and traceable.
- Unspecified power, sourced from the broader grid, may include natural gas.
- 3CE's strategy avoids direct reliance on fossil fuels, focusing on building new renewable resources to achieve long-term sustainability.

How does nuclear energy factor into these calculations?

- Nuclear energy is classified as carbon-free but not renewable.
- PG&E's portfolio includes nuclear energy, which contributes to their lower reported emissions but does not align with renewable energy goals.

Why was 3CE's unspecified power percentage 69.5% in 2023?

- In 2022, 3CE's unspecified power percentage was 69.5% because we prioritized long-term investments in new renewable energy projects rather than purchasing carbon-free attributes from existing resources.
- This approach is more impactful, as it drives the creation of new clean energy infrastructure.
- The percentage of unspecified power will continue to decline as our new renewable projects come online.

What is the emissions metric (727 lbs CO₂/MWh) in 3CE's PCL?

- The metric reflects emissions estimates for grid-sourced unspecified power, which includes natural gas.
- While this metric is higher than the state utility average PCL emissions (373 lbs CO₂/MWh in 2023), it's important to understand the limitations of PCL accounting methodologies.

Why does 3CE's energy portfolio look less clean and renewable than PG&E/SCE/the state average?

- **Unlike many in the energy industry, 3CE does not buy carbon credits.**
 - It has been common practice in the energy sector to purchase carbon credits to offset emissions from fossil fuel sources. However, buying paper certificates does not build any new renewable energy projects nor bring California closer to our clean-energy goals.
 - From 2017 to 2019, 3CE's Power Content Label was 100% carbon-free because the agency bought enough of these carbon credits cover the energy use of all our retail customers.
 - Starting in 2020, however, 3CE's Policy Board prioritized long-term investment in new renewable energy projects, with no reliance on carbon credits. While this approach can result in short-term increases in reportable emissions, that is not the full picture.

- **3CE is pursuing a long-term strategy of investing in NEW renewable-energy projects.**
 - If 3CE purchased carbon credits, we would often be buying them from existing renewable projects, meaning that the green energy from these projects would have been produced whether we purchased the certificates or not.
 - Our strategy of putting new renewable projects on the grid instead of buying carbon credits may not look as good on paper right now, but it will lead to more impactful, longer-lasting benefits by increasing the total amount of green energy being produced.
 - The percentage of renewables in 3CE's power mix will increase as more of the new renewable projects we have invested in come online. The agency remains on a path to reach 100% renewable power ahead of the state's goals.
 - The state also sets requirements for the percentage of an energy provider's power that comes from long-term renewable contracts. 3CE is also ahead of state goals on this score, and we are on track to source 60% of our electricity from long-term contracts by 2030 -- far above the 39% required by the state.

- **Long-term investments can create near-term challenges.**
 - In 2024, the percentage of renewable energy shown on 3CE's Power Content Label was lower than expected because several of the new renewable projects that were planned to come online were delayed. The Label would have shown 3CE at 60% renewable in 2024 had project developers not faced permitting and supply-chain challenges.
 - Assuming the new schedules for our projects hold, we're on track to meet our goals and our power mix should approach 60% renewable in 2025.

- **The reporting of the Power Content Label does not reflect reality.**
 - The Power Content Label is a regulatory requirement that is supposed to show an electricity provider's contributions to the grid, but it misrepresents what is actually being sourced and delivered.
 - Under the California Energy Commissions' (CEC) rules, in certain situations, energy providers that procure more energy than their retail customers use can under-report their fossil-fuel-burning sources.
 - For example, PG&E's and SCE's natural gas generation -- which in fact has been about 26% of their total energy portfolio in past years -- may be omitted from their reporting completely when it is not needed to cover their retail demand.
 - Therefore, comparing 3CE's generation mix to PG&E's or SCE's -- or to the state average, which is based in part on this under-reporting -- doesn't always paint an accurate picture.

What is the difference between the Power Content Label and the Joint Rate Mailer?

- The Joint Rate Mailer (JRM) is a comparison of electrical rates between 3CE and PG&E or SCE. You'll find rate comparisons in the Joint Rate Comparison documents, as well as a comparison between the electricity generation portfolios of 3CE and PG&E or SCE.
- The Power Content Label (PCL) provides information about the energy resources used to generate electricity put into the power grid and compares 3CE's power mix to the California state average.
- State regulations require energy providers like 3CE to send both documents to all their customers every year. While customers cannot opt out of receiving them, they may choose to receive the mailings via either USPS or email.