

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512

April 21, 2006

To all retail providers:

As the recipient of previous letters from the California Energy Commission (Energy Commission) about its Power Source Disclosure Program, you are probably familiar with the general statutory and regulatory requirements of Senate Bill 1305 (Stats. 1997, ch. 796, §1) and implementing regulations. This letter is to alert your company that the Net System Power (CA POWER MIX) percentages are now available for the 2005 calendar year. Additionally, this letter serves as a reminder of the Power Source Disclosure Program's reporting requirements

On April 12, 2006, the Energy Commission adopted the 2005 Net System Power mix.

Fuel Type	2005 Net System Power
Eligible Renewable	4.7%
-Biomass & waste	0.0%
-Geothermal	4.0%
-Small hydroelectric	0.7%
-Solar	0.0%
-Wind	0.0%
Coal	38.5%
Large hydroelectric	23.5%
Natural gas	33.3%
Nuclear	0.0%
Other	0.0%
Total	100.00%

The percentages in the Net System Power table are given to the nearest tenth of a percent to increase the accuracy when calculating a product-specific fuel mix, but please note that the percentages should be rounded to the nearest whole percent when appearing in the Power Content Label. All future quarterly and promotional disclosures by your company should reflect these updated percentages for Net System Power until April 15, 2007, at which time a revised Net System Power mix will become available. The complete report, *Net System Power: A Small Share of California's Power Mix in 2005* is available from the Energy Commission's web site at <http://www.energy.ca.gov/sb1305/documents/>.

The Energy Commission's regulations require the term "CA Power Mix" be used to describe Net System Power in the right-hand column of the Power Content Label. The Energy Commission calculates Net System Power by taking all of the generation consumed by customers in California, which we have termed "Gross System Power," and then subtracting self-generation and retail providers' specific claims of generation. Thus, Net System Power, and the term "CA Power Mix", do not represent the fuel mix of ALL the electric generation consumed by California customers.

In the last few years, Net System Power has represented a significantly declining share of California's electricity generation mix; in 2005 that share was less than 30% of California's electricity mix. Consumers reading Power Content Labels, however, may be left with the impression that the term "CA Power Mix" reflects a relatively large share of California's generation mix.

Accordingly, the Energy Commission encourages retail providers, at their option, to publish the 2005 Gross System Power values (shown below) in addition to and in close proximity to their Power Content Label. The Energy Commission also encourages retailers to add notes outside the Label that clarify the distinction between the “CA Power Mix” and “Gross System Power”, and relate the relative shares of California’s generation mix each represents. Information for this purpose can be found in the aforementioned report: *Net System Power: A Small Share of California’s Power Mix in 2005*, available from the Energy Commission’s web site at <http://www.energy.ca.gov/sb1305/documents/>.

However, **do not** utilize the 2005 Gross System Power values for representing the content of a particular product. Additionally, **do not** insert the 2005 Gross System Power values in the column entitled, “2005 CA Power Mix.” Please utilize the 2005 Net System Power values for these purposes.

Fuel Type	2005 Gross System Power
Eligible Renewable	10.7%
-Biomass & waste	2.1%
-Geothermal	5.0%
-Small hydroelectric	1.9%
-Solar	0.2%
-Wind	1.5%
Coal	20.1%
Large hydroelectric	17.0%
Natural gas	37.7%
Nuclear	14.5%
Other	<u>0.0%</u>
Total	100.00%

Attached are two sample labels featuring the 2005 Net System Power mix. The top graphic is an example of a label for a company *not making specific purchase claims*. The bottom graphic is an example of a label for a company claiming 50 percent specific purchases (as evidenced in the first footnote) and 50 percent generic purchases (i.e. anything but specific purchases). In this case, the specific purchases are all renewable. For ease in calculating a product-specific fuel mix, the Power Content Label Calculator has been updated to reflect the 2005 Net System Power values. This Excel template can be downloaded from the web site listed above.

The following is a reminder of reporting requirements for the Power Source Disclosure Program. Additionally, if you have not submitted to the Energy Commission copies of your quarterly and/or Annual Power Content Labels for 2005 or your 2005 Annual Retail Providers Report (if you are claiming specific purchases), please mail them to:

Jason J. Orta  
Dockets 00-SB-1305  
California Energy Commission  
1516 9<sup>th</sup> Street, MS-4  
Sacramento, CA 95814

In addition to the hard copies, please email your Power Content Labels and Annual Reports to [sb1305@energy.state.ca.us](mailto:sb1305@energy.state.ca.us). The recommended format for the Annual Report (including the form for the attestation) is available as an Excel file that can be downloaded from the Energy Commission’s web site listed above. Also, the audits that verify the 2005 Power Content Labels and 2005 Annual Reports are due to the Energy Commission on June 1, 2006 and must be mailed and emailed to these addresses as well.

As always, Energy Commission staff is available to answer any of your questions. Questions should be directed to Jason J. Orta at (916) 653-5851.

<b>POWER CONTENT LABEL</b>		
<b>ENERGY RESOURCES</b>	<b>PRODUCT NAME*</b> (projected)	<b>2005 CA POWER MIX**</b> (for comparison)
<b>Eligible Renewable</b>	<b>5%</b>	<b>5%</b>
-- Biomass & waste	<1%	<1%
-- Geothermal	4%	4%
-- Small hydroelectric	1%	1%
-- Solar	<1%	<1%
-- Wind	<1%	<1%
<b>Coal</b>	<b>38%</b>	<b>38%</b>
<b>Large Hydroelectric</b>	<b>24%</b>	<b>24%</b>
<b>Natural Gas</b>	<b>33%</b>	<b>33%</b>
<b>Nuclear</b>	<b>0%</b>	<b>0%</b>
<b>Other</b>	<b>0%</b>	<b>0%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
<p>* 0% of <b>Product Name</b> is specifically purchased from individual suppliers.</p> <p>** Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.</p> <p>For specific information about this electricity product, contact Company Name. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or <a href="http://www.energy.ca.gov/consumer">www.energy.ca.gov/consumer</a>.</p>		

<b>POWER CONTENT LABEL</b>		
<b>ENERGY RESOURCES</b>	<b>PRODUCT NAME*</b> (projected)	<b>2005 CA POWER MIX**</b> (for comparison)
<b>Eligible Renewable</b>	<b>52%</b>	<b>5%</b>
-- Biomass & waste	-	0%
-- Geothermal	-	4%
-- Small hydroelectric	-	1%
-- Solar	-	<1%
-- Wind	-	0%
<b>Coal</b>	<b>19%</b>	<b>38%</b>
<b>Large Hydroelectric</b>	<b>12%</b>	<b>24%</b>
<b>Natural Gas</b>	<b>17%</b>	<b>33%</b>
<b>Nuclear</b>	<b>&lt;1%</b>	<b>0%</b>
<b>Other</b>	<b>&lt;1%</b>	<b>0%</b>
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>
<p>* 50% of <b>Product Name</b> is specifically purchased from individual suppliers.</p> <p>** Percentages are estimated annually by the California Energy Commission based on electricity sold to California consumers during the previous year.</p> <p>For specific information about this electricity product, contact Company Name. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or <a href="http://www.energy.ca.gov/consumer">www.energy.ca.gov/consumer</a>.</p>		