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California State Senate

SENATOR
CHRISTINE KEHOE
THIRTY-NINTH SENATE DISTRICT



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December 14, 2010

Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: CHP and Cap and Trade Program, December 16, 2010 Board Meeting

Dear Madam Chair:

The Air Resources Board is working diligently to implement the Global Warming Solutions Act of 2006. The Scoping Plan identifies among others 4000 MWs of new CHP by 2020. A key emission reduction measure is the proposed cap and trade program. Its effect on combined heat and power (CHP) is of significant interest to me. Senate Bill 412, enacted in 2009 seeks, among others, CHP technologies to be considered by the PUC to be added to the Self Generation Incentive Program. My co-authors, Senators Padilla and Blakeslee, and Assemblymember Nancy Skinner, firmly believe that CHP with its superior efficiency and greenhouse gas performance compared to central station power plants in California will help our state achieve its greenhouse gas reduction goals.

The ARB staff has worked tirelessly to address the issues of a cap and trade program. I believe there are several technical and public education/outreach issues that will need to be addressed after Board action on December 16, 2010.

I urge staff to work closely with the CHP industry to address all remaining issues and do what is necessary and appropriate to have a robust CHP industry in the state that enables the ARB to achieve its goals for this technology sector.

Sincerely,

CHRISTINE KEHOE
Chair, Senate Appropriations Committee

cc: Senator Alex Padilla
Senator Sam Blakeslee
Assemblymember Nancy Skinner
Clerk of the Board, Air Resources Board