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February 22, 2008

Robert DuVall
California Air Resources Board
1001 "I" Street
Sacramento, California 95812

Re: Northern California Power Agency Comments on "Policy Statement
On Voluntary Early Actions to Reduce Greenhouse Gas Emissions"

Dear Robert:

The Northern California Power Agency¹ (NCPA) appreciates the opportunity to offer these comments to the California Air Resources Board (CARB) on its draft *Policy Statement on Voluntary Early Actions to Reduce Greenhouse Gas Emissions* (Policy Statement), issued on February 5, 2008.

NCPA fully supports the draft Policy Statement and the efforts of CARB to insure that entities taking early steps to reduce greenhouse gas (GHG) emissions receive appropriate credit for these actions. Effective application of such a policy is a key element of meeting the objectives of Assembly Bill 32 (AB32).

Along those lines, NCPA wants to ensure that the Policy Statement and the Scoping Plan recognize an important distinction between the two referenced sections of the Health and Safety Code. Health and Safety Code Section 38562(b)(1) directs the Board, to the extent feasible, to: "Design the regulations, including distribution of emissions allowances where appropriate, in a manner that ... ***encourages early action to reduce greenhouse gas emissions.***" In contrast, Health and Safety Code Section 38562(b)(3) directs the Board, to the extent feasible, to: "Ensure that entities that have ***voluntarily reduced their greenhouse gas emissions prior to the implementation*** of this section receive appropriate credit for early voluntary reductions."

The legislative intent of AB32 was to "***encourage early action***" as soon as possible, and not provide a rationale for thwarting or delaying immediate plans to reduce GHG emissions. AB32

¹ NCPA members include the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, as well as the Bay Area Rapid Transit District, Port of Oakland, the Truckee Donner Public Utility District, and the Turlock Irrigation District, and whose Associate Members are the Plumas-Sierra Rural Electric Cooperative and the Placer County Water Agency.

also clearly recognized that many California stakeholders did not wait until the enactment of the legislation to begin efforts to reduce their carbon footprint, and indeed, the legislation mandates recognition for entities that have “***voluntarily reduced their greenhouse gas emissions,***” even in advance of AB32’s adoption. NCPA has actively sought generation resources that are among the cleanest in the nation for the better part of two decades. It remains a fundamental mission of our member utilities today.

It is imperative that both categories of voluntary early actions that result in real GHG reductions be equally recognized when drafting the Scoping Plan during the coming months and when implementing AB32 during the next few years. NCPA appreciates staff’s acknowledgment of the importance of early actions and the development of a Policy Statement that will ensure these actions are recognized as an important part of the California GHG reduction solution.

If you have any questions regarding these comments, please do not hesitate to contact the undersigned or Scott Tomashefsky at 916-781-4291 or scott.tomashefsky@ncpa.com.

Sincerely,

MCCARTHY & BERLIN, LLP

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Attorneys for the Northern California Power Agency