

California Municipal Utilities Association

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January 11, 2016

Ms. Rajinder Sahota Chief, Climate Change Program Planning & Management Branch California Air Resources Board 1001 I Street Sacramento, CA 95814

Re: Comments of the California Municipal Utilities Association on the Renewables Portfolio Standard Adjustment Following the December 14, 2015 Workshop on Proposed Amendments to the Cap-and-Trade Regulations

Dear Ms. Sahota:

The California Municipal Utilities Association ("CMUA") respectfully submits these comments to the California Air Resources Board ("ARB") on the proposed amendments to the Cap-and-Trade regulations discussed at the December 14, 2015 Workshop. In addition to these comments, CMUA also joins in and fully supports comments that will be filed by Pacific Gas and Electric Company on behalf of a coalition of utilities providing more specific recommendations. CMUA files these separate comments to emphasize the key importance of the Renewables Portfolio Standard ("RPS") adjustment to its members.

CMUA is a statewide organization of local public agencies in California that provide electricity, gas, and water service to California customers. CMUA members operate electric generation, distribution, and transmission systems, and in total provide approximately 25 percent of the electricity load in California. CMUA's membership includes participants in the Cap-and-Trade Program, and many of its members have directly benefited from the RPS adjustment since it was originally adopted.

Since its inception, the RPS adjustment has played a vital role by avoiding the duplication of costs between the RPS Program and the Cap-and Trade Program. The continuation of the RPS adjustment is essential to the prolonged success of the Cap-and-Trade Program and also supports the state's broader environmental policy goals. Therefore, CMUA and its members strongly urge the ARB to maintain the RPS adjustment. To the extent that any changes are necessary to address the problems noted by ARB staff, CMUA urges caution to ensure that regulatory changes do not have unintended consequences. CMUA believes that through further collaboration, the challenges noted by ARB staff can be addressed.

CMUA appreciates the opportunity to provide these comments on the December 14, 2015 Workshop, and thanks the ARB for its review and consideration.

Respectfully submitted,

Dan Driffiths

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