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April 15, 2016 | Submitted Electronically

Ms. Rajinder Sahota
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: SCPPA Comments on March 29 and April 5 Public Workshops Regarding Cost Containment and Cap-Setting.

Thank you for the opportunity to provide these comments on the March 29 and April 5, 2016 workshops and staff presentations. The Southern California Public Power Authority (SCPPA) is a joint powers agency whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each Member owns and operates a publicly owned electric utility governed by a board of local officials. Our Members collectively serve nearly five million people in Southern California.

SCPPA and its Members support the Air Resources Board's (ARB) efforts to clarify the GHG regulatory regime as it is extended to address the post-2020 timeframe. The March 29th and April 5th workshops presented both minor and major changes to the existing Cap and Trade Regulation (Regulation). SCPPA submitted a separate comment letter addressing ARB Staff's proposed changes to allowance allocations. This letter focuses on two of the other elements of these workshops: cost containment and cap-setting.

SCPPA believes more information on the modeling options is needed to fully understand the impacts and provide meaningful feedback. The cap must be determined in coordination with decisions made for allowance allocations, and the level of the reserve must also be informed by both the cap and allowance allocation discussions. It is difficult to provide feedback on the anticipated outcome when all of the inputs are variables. As such, we do not take positions on a preferred option for post-2020 cap setting or changes to cost containment and reserve amounts at this time.

We look forward to providing substantive feedback once the details are fully developed and presented as an entire package of Regulation amendments that can be evaluated based upon the interactive nature of the components. We strongly recommend more detailed discussions with stakeholders once the necessary analysis is complete. We look forward to continued focus by ARB staff and management on the impacts of proposed changes and any policy alternatives.

Thank you for your time and consideration. SCPPA not only welcomes additional opportunities for continued discussion on these issues, but strongly encourages staff to better explain the need for such changes. The implications of any changes to the Regulation will impact millions of ratepayers for the next decade. SCPPA acknowledges and appreciates

that Staff is presenting information as it is developed; this provides stakeholders with foresight on the possible trajectories for the changes to the Regulations. However, we are concerned that solicitation of comments now (at a premature stage) may translate to less feedback gathered later (at a more critical stage of the process). We urge Staff to ensure that there is an appropriately lengthy time period, greater than a few weeks, for stakeholders to digest and comment on these proposals once they are fully formed.

Respectfully submitted,



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