WATER AND POWER

September 2, 2021 | Submitted Electronically

Liane Randolph, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

SUBJECT: Comments on the 2022 Scoping Plan Scenario Concepts Technical Workshop

Dear Chair Randolph:

On behalf of Burbank Water and Power (BWP), I appreciate the opportunity to comment on the August 17th technical workshop on scenario concepts for the 2022 Scoping Plan Update. BWP is a publicly owned utility serving the residents and businesses of Burbank with electricity and water. BWP remains committed to working with the state to achieve the greenhouse gas (GHG) reduction goals, as required by Assembly Bill (AB) 32, Senate Bill (SB) 32 and AB 398. In addition, we look forward to the request of Governor Gavin Newsom, that California Air Resources Board (CARB) evaluate the potential to achieve carbon neutrality earlier than 2045. We believe the scoping plan process will be an opportunity to provide input for a workable framework. Furthermore, BWP supports the jointly submitted comments by the Southern California Public Power Authority, Northern California Public Power Authority, California Municipal Utilities Association, and separate comments submitted by San Diego Gas and Electric.

Take a holistic approach to GHG reduction

The City of Burbank is updating its own GHG reduction plan that will reduce our GHG emissions through a holistic and citywide approach. BWP will seek to effectuate the department goals through energy efficiency, building electrification, and facilitating the adoption of transportation electrification and access to charging infrastructure for Burbank's community.

As you are aware, CARB found transportation comprised 39.7% of GHG emissions statewide in 2019. In Burbank, transportation contributed 43% of GHG emissions in 2019. Transportation pollution is a concern for Burbank as the 5 and 134 freeways run through the middle of the city. As such, BWP has taken significant actions with the creation of a five-year strategic plan that emphasizes promoting EV adoption through education and outreach as well as building out public charging infrastructure and promoting workplace and home charging. The City of Burbank currently has 73 public EV charging stations at 17 sites, with plans to install hundreds more. The EV chargers are strategically placed in Burbank's high traffic locations as well as locations that can serve customers in multiunit dwellings (MUDs). Renters in MUDs often have the toughest time gaining access to EV charging.

BWP's approach to transportation electrification prioritizes investment in disadvantaged communities (DACs) and MUDs to ensure that beneficial electrification and GHG reduction are promoted in an equitable fashion. Furthermore, BWP's updated residential and commercial EV charging station rebate programs provide enhanced levels of financial incentives to those customers who install networked, or "smart" charging stations. These stations will facilitate BWP's ability to manage the increased load that charging stations generate, by means of future EV-rates and by facilitating demand response.

As our city moves forward to planning goals for future energy efficiency, building electrification and transportation electrification it is necessary to look holistically at current and future impacts to address reliability and affordability, to maintain a reliable grid without detrimentally impacting ratepayers.

Evaluate impacts to reliability and affordability in all carbon neutral scenarios

As we continue to focus on meeting our compliance mandates, many challenges remain with a changing climate resulting in extreme heat events, wildfires and drought. The importance of electric system reliability cannot be overstated. If homes, businesses, and industry cannot rely on dependable electric service, customers will not adopt electrification as a viable long-term strategy.

BWP operates and manages a joint resource with several other participants. This resource, the Magnolia Power Plant, is a combined cycle, efficient natural gas power plant with a turbine nameplate maximum capacity of 310 MW. BWP reports the GHG emissions from this facility under the mandatory reporting rule (MRR) and also retires allowances for this facility under the cap-and-trade program. Any scenario planning or GHG target setting analysis should also provide exemptions for jointly owned resources which are used for reliability. These exemptions include potentially exceeding GHG targets, in order to maintain reliability for the grid and to mitigate ratepayer impacts. A similar provision was part of the RECLAIM program several years ago when there were similar constraints on nitrogen oxide limitations. Language was added to the RECLAIM program to ensure that the utilities were able to meet such requirements in a cost-effective manner. As such, it would be appropriate to include similar language as part of the scoping plan analysis. The scoping plan sets a goal for GHG reductions, but when reliability and affordability are at risk, there should be exemptions for the GHG reduction goals.

It is important that all scenarios allow for reliability and affordability of the grid, before being selected as a preferred scenario. Consideration of the possible impact such scenarios will have on ratepayers is needed as well. Discussions on the impact to utilities that manage, maintain, and operate resources that are used to ensure reliability of the grid should be an integral part of the scenario selection and evaluation process. As a matter of equity, the implications to such utilities will need to be addressed through the MRR. All participants of jointly owned projects should be liable for the GHG implications in proportion to the power used by the joint owner. Under the MRR, section 95112, operators of resources in California are liable for reporting the GHG emissions from electric generating units. As part of the scenario analysis, exemptions need to be

made for operators of joint resources, so that each owner is accountable for carbon generated by the power that they use.

The scenario should take into consideration how GHG reporting under the MRR works. Having the operator report on GHG emissions makes sense for simplifying compliance reporting. However, all joint owners who take power from a generating resource need to be accountable for the carbon emissions of the power that they take. That power is part of each joint owner's integrated resource portfolio. The carbon associated with that portfolio needs to be accounted for in each of those portfolios - not just in the operating entity's portfolio. The operating entity does not get the benefit from the power used by the other owners nor should the operating entity be held to account for the carbon from that power. In the current scenario development, this poses a problem when GHG target setting is developed, as considerations are not given to operators who operate resources for grid reliability. For certain operators, such as BWP, GHG targets cannot be met if they are held to account for carbon used by other joint owners. That burden is simply too steep.

Lastly, transmission constraints need to be part of the equation, as not all utilities have transmission access to plentiful zero-carbon resources.

Burbank has been, and will continue to be, a leader in our region in sustainability. Furthermore, we are committed to participating in the scoping plan. We further renew our commitment through our City Council's greenhouse gas reduction goals and our local goal to reach 100% greenhouse gas neutrality by 2040 or sooner.

Thank you for the opportunity to play an active role in this process. If you have any questions or require additional information regarding our comments, please contact Dawn Roth Lindell, Burbank Water and Power General Manager at (818) 238-3554 or drothlindell@burbankca.gov.

Sincerely,

Dawn Roth Lindell

Dawn Roth Lindell
General Manager