

Sophie R. Ellinghouse

Director, California Policy

November 19, 2021

Submitted via email to: Rajinder.Sahota@arb.ca.gov

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

Re: Comments on 2022 Scoping Plan Update – November 2, 2021 Electricity Sector Workshop

Dear Ms. Sahota,

The Western States Petroleum Association (WSPA) appreciates the opportunity to comment on the November 2, 2021 California Air Resources Board (CARB) 2022 Scoping Plan Update – Electricity Sector Technical Workshop. WSPA is a non-profit trade association that represents companies that export for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California and four other western states, and has been an active participant in air quality planning issues for over 30 years.

WSPA found this Workshop highly informative and appreciates the presentations by staff members from CARB, the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), California ISO (CAISO), and other governmental and academic entities. The interaction of these various entities pursuant to SB 100 is well depicted in a graphic (Slide 2 of 12) from the CPUC presentation during the Workshop.¹

We do note that the 2021 SB 100 Joint Agency Report Summary presentation highlighted that "initial analysis suggests SB 100 is technically achievable through multiple pathways". In addition to being technically achievable, policymakers must also ensure that the goals can be met in a practical manner that addresses safety, reliability, and cost. Our member companies depend on reliable electricity supply to safely produce oil and gas, operate refineries, and transport products via pipeline to California consumers. We appreciate the acknowledgement that additional analysis is necessary. These issues must continue to be evaluated and transparently communicated to all stakeholders in the Scoping Plan process.

Role of Natural Gas

In the presentations by the CPUC¹ and the CEC², the role of natural gas as an energy source was highlighted. Specifically, the CPUC presentation pointed out the need for natural gas capacity in 2045 for grid reliability and to avoid "the need for large scale investments in infrequently used capacity" (Slide 9 of 12). Further, the CPUC presentation notes graphically how the degree of difficulty and cost in meeting energy needs of the state with renewable energy increases due to diurnal mismatches and seasonal demand (Slide 10 of 12).

¹ https://ww2.arb.ca.gov/sites/default/files/2021-11/CPUC-sp22-electricity-ws-11-02-21.pdf

² https://ww2.arb.ca.gov/sites/default/files/2021-11/CEC-sp22-electricity-ws-11-02-21.pdf

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Similarly, the CEC presentation discussed the 2021 SB 100 Joint Agency Report ³ which provided as a key modeling takeaway: "Retaining some natural gas power capacity may minimize costs while ensuring uninterrupted power supply during the transition to 100 percent clean energy."

WSPA concurs with the position of both the CPUC and CEC with regard to the importance of natural gas in our energy future. As noted by more than one stakeholder during the Workshop, strategically-located natural gas power plants and the continuous improvements in facility efficiency and clean fuels are an important consideration in any strategic planning in the electricity sector for California.

Role of Carbon Capture and Storage

Carbon capture and storage (CCS) was addressed during the Workshop in a presentation by Stanford University Center for Carbon Storage.⁴ A slide from the presentation entitled "Complexity and Uncertainty Reduce Attractiveness of Investment in CCS" (Slide 11 of 12) lists the issues that need addressed to better accelerate CCS in the State. WSPA is a strong supporter of CCS as a critical tool towards achieving deep carbon reductions in California and globally.

WSPA appreciates the opportunity to provide feedback on the November 2, 2021 workshop and look forward to participating in future stakeholder meeting regarding the Electricity Sector. If you have any questions, please contact me at (916) 803-7674 or via email at sellinghouse@wspa.org.

Sincerely,

Sophie R. Ellinghouse

³ https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity

⁴ https://ww2.arb.ca.gov/sites/default/files/2021-10/EFI-Stanford-sp22-electricity-ws-11-02-21.pdf