



September 14, 2016

Richard Corey
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95812-2828

RE: Southern California Edison Comments on the Mandatory Reporting Rule (MRR) Proposed Regulation Order

Mr. Corey,

Southern California Edison (SCE) respectfully submits these comments to the California Air Resources Board (ARB) on the Proposed Regulatory Order addressing changes to the Mandatory Reporting Rule.

SCE supports the continuation of the RPS Adjustment as currently implemented in the Cap-and-Trade program and Mandatory Reporting Rule. Many of the changes found in these proposed MRR regulatory amendments conflict with the continued operation of that section as stakeholders currently claim it. Detailed recommendations can be found in the California Joint Utility Group (JUG) comments on the Cap-and-Trade proposed regulatory order, however SCE wishes to again affirm its support for the current structure of the RPS Adjustment.

ARB should postpone the CAISO EIM GHG accounting proposal in this regulation order until stakeholders have more time to analyze potential market impacts and offsetting effects. A recent focus on ‘secondary emission effects’ that result from the California Independent System Operator (CAISO) EIM optimization has led the ARB to propose a solution that is one-sided. On August 26, CAISO released a study demonstrating that the EIM dispatch actually displaced emitting generation for a net benefit to the atmosphere in the first half of 2016. In light of this information, Southern California Edison and JUG members do not support the current method proposed in the regulation for addressing the secondary emissions issue, as it would not take into account the emission reductions attributable to renewable exports. SCE agrees with JUG members in suggesting that additional opportunities for public input and discussions with all relevant agencies on this issue should be held after the first Board Hearing of these amendments and before the release of 15-day language. ARB’s proposal could set a precedent for future market expansion that could erode the environmental and cost benefits of that very expansion.

The reporting deadlines in Section § 95131.c.5 and § 95131.f and § 95131.g should be based on “working” days. There are number of places in these proposed amendments where reporting deadlines have been shortened. Reporting requires significant quality control and internal approvals, and ensuring there is time to get it right is a priority for SCE. A focus on “working days” would still allow for a timely response to ARB, but ensure that SCE would have the time to ensure the data it is reporting attains the standard of excellence we strive for.

Thank you for your time, and consideration of the comments presented in this letter.

Sincerely,

A handwritten signature in cursive script that reads "Dawn Wilson". The letters are fluid and connected, with a prominent loop at the end of the word "Wilson".

Dawn Wilson

Director, Environmental Policy and Affairs