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Ms. Rajinder Sahota
Chief, Climate Change Program Evaluation Branch, Cap-and-Trade Program
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: SCPPA Comments on January 15, 2016 Public Workshop

Thank you for the opportunity to provide comments on the January 15, 2016, ARB Public Workshop on the 2030 Scoping Plan Economic Analysis.

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.

We appreciate the preview provided for this very important analysis. As the State's primary long-term climate change planning and policy document, the 2030 Scoping Plan is more than an update: it will be the cornerstone on which California's future greenhouse gas (GHG) programs are built, including enhanced inventory focus, new and updated complementary measures, expansion of market-based programs, and auction proceed spending priorities. As was mentioned multiple times by staff at the workshop, this effort is being conducted with future 2050 GHG reduction goals in mind. Such a significant document deserves a full and robust evaluation to ensure understanding of potential future cost of compliance and economic impacts, both positive and negative. SCPPA looks forward to engaging ARB as this process moves forward, and is hopeful that the details and assumptions that go into the scenario development and subsequent economic modeling are fully transparent to stakeholders. SCPPA's goal is to ensure that the policies considered and the programs ultimately adopted by the State affordably yield the greatest benefits for Californians.

Though the economic analysis workshop was presented as a series of topics (Economic Reviewers, Overview of Economic Analysis, PATHWAYS model, REMI model, and the Reference Scenario), SCPPA has consolidated its comments on a few common issues between all of the presentations.

The adoption schedule for the 2030 Scoping Plan has been described by staff as "aggressive." SCPPA has concerns that the development schedule and tentative release of the draft 2030 Scoping Plan in just a few short months may not allow for adequate stakeholder review and understanding of the underlying fundamental assumptions and details. The workshop highlighted the complexity of the task – including integration of the 2030 Scoping Plan with California's existing State Implementation Plans (SIPs), the Federal Clean Power Plan, the existing Cap-and-Trade Program, the Low Carbon Fuel Standard, the Sustainable Freight Strategy, Short-Lived Climate Pollutant Plan, and the goal of electrifying a significant portion of the transportation sector – and noted that there are a number of potential paths forward (scenarios) to achieve the State's goals. Each of these paths will have different impacts and costs for SCPPA's ratepayers, and may require different responses from California's public power sector.

SCPPA offers the following feedback on items discussed during the January 15 Public Workshop:

- **Release Scenarios Prior to Economic Model Evaluations.** There is a great deal of work (including multiple iterations and feedback loops) that must occur to adequately evaluate the economic impacts of any of the proposed

scenarios. SCPAA supports the strong modeling efforts presented. It is for this reason that SCPPA recommends that both the Reference Scenario and the Alternative Scenarios be presented to the stakeholders *in advance* of the economic modeling work. Without the opportunity to comment on the actual policy options prior to their economic or environmental evaluation, the possible solutions and policy options will have already been narrowed down. SCPPA believes this is a problematic sequence that may yield inaccurate or unrealistic results.

- **Reference Scenario Should Ensure All Inputs are Harmonized.** Many draft and existing state policy plans and reports will be used to build the Reference Scenario; these include ARB’s Mobile Source Strategy Discussion Draft, the CPUC’s Long Term Procurement Plan, CEC’s Integrated Energy Policy Report, energy efficiency projections, the ZEV Action Plan, and many more. Staff should review these diverse strategy documents in terms of assumptions, timing and results. With so many policies stacked upon each other, it is important to ensure internal (i.e. interagency) consistency.
- **Adoption Timing Should Ensure Adequate Stakeholder Review.** Ensuring adequate stakeholder review time is critical to developing support for the Plan. SCPPA understands the timing constraints placed upon ARB and is committed to being a responsive stakeholder, but the ability to provide constructive and substantive comments is directly tied to the process presented. These issues are complicated and impact large organizations with diverse missions, therefore the time needed to review in detail is usually more than has been historically presented to Scoping Plan stakeholders. SCPPA respectfully requests that all future workshop materials be released in advance of the workshop day, and that post-workshop comment periods more truly reflect the time needed for in-depth analysis and development of thoughtful responses.
- **Cost Impacts Should be Clearly Known.** The range of possible total costs and the timing of those costs should be clearly presented prior to finalization and presentation to the Board. Additionally, the impacts of the program on individual sectors should be quantified. Without completed economic analysis on individual sectors, stakeholders cannot provide truly informed input about the Plan and its impacts. This should include significant consideration in various scenarios that would result from interstate trading – a concept that is clearly being advocated by the Obama Administration as reflected in the final Clean Power Plan rule.

Thank you for your time and consideration. SCPPA looks forward to, and would suggest additional meetings with staff to work through these important and complex issues.

Respectfully submitted,



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Director of Government Affairs



Sarah Taheri
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