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Submitted Via Electronic Transmission

August 5, 2013

Mr. Mike Tollstrup
California Air Resources Board
Office of Climate Change
1001 I Street
Sacramento, CA 95814

Re: *Comments of the Northern California Power Agency on 2013 Scoping Plan Update Workshop and Staff Presentation*

Dear Mr. Tollstrup:

On June 13, 2013, the California Air Resources Board (CARB) hosted a workshop to discuss the 2013 Scoping Plan Update required by the California Global Warming Solutions Act of 2006 (AB 32).¹ The Northern California Power Agency² (NCPA) appreciates the opportunity to provide these comments to CARB on the proposed scope of the 2013 Update, as discussed during the June 13 Workshop (Kick-Off Meeting) and set forth in the Workshop Presentation.

Emphasis on Coordination with other State Agencies Should Help Ensure Success:

Given that the Scoping Plan is a statewide plan – and not specific to one agency – coordination with other State agencies and alignment of the Scoping Plan Update (Update) with existing emission reduction policies and proposals should ensure the most effective utilization of limited resources from different agencies towards meeting a single goal. The level of coordination outlined in the Scoping Plan Update Workshop Presentation and explained during the Kick-Off meeting is not only helpful for purposes of furthering the State’s goals, but essential to ensure that the programs and measures benefit from the expertise found within each of the many agencies involved.

¹ Cal. Health & Safety Code § 38561(h).

² NCPA is a not-for-profit Joint Powers Agency, whose members include the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, as well as the Bay Area Rapid Transit District, Port of Oakland, and the Truckee Donner Public Utility District, and whose Associate Member is the Plumas-Sierra Rural Electric Cooperative.

Focus on 2050 Goals Should Not Impede Achievement of 2020 Objectives: During the Workshop, Staff stated that the main focus of the Update will be to look beyond the 2020 goals. Since California’s greenhouse gas reduction goals look beyond 2020, it is appropriate that the Scoping Plan Update also look towards future reductions that can be accomplished or sustained over a longer period of time. CARB plans to more broadly focus on 2050 reduction goals with an interim review in 2030. This approach should allow the agency and the State to ensure that the measures and programs in place are on a trajectory to achieve the desired results, and if not, allow the various state agencies involved sufficient time to recalibrate efforts and commitment of resources if necessary. However, looking at plans and policies that are designed to prepare the State and local communities to reach the long term goals should not ignore or replace altogether shorter-term policies and programs. Nor should the focus on longer term goals come at the expense of effecting the more near-term emissions reductions that are mandated in AB 32 and are set forth in the original Scoping Plan. AB 32 specifically targeted 2020 emissions goals by requiring CARB to “prepare and approve a scoping plan . . . for achieving the maximum technologically feasible, cost effective reductions in greenhouse gas emissions from sources or categories of courses of greenhouse gases by 2020 . . .”³ The Update should not lose sight of this requirement.

Existing Measures and Changes in the Energy Sector Should be Analyzed in the Update: In drafting the Scoping Plan Update, particularly with regard to the energy sector, NCPA urges CARB and the Electricity Committee to look closely at (1) the efficacy and cost-effectiveness of all exiting Scoping Plan measures that impact the electricity sector, and (2) how changes in the electricity and natural gas industries – including additional State mandates – are going to impact the energy sector in both the short-term and beyond 2020.

Existing Measures Should be Reviewed for Efficacy and Cost Effectiveness: The Scoping Plan Update should review the measures that were adopted as part of the 2008 Scoping Plan to determine whether or not they were successful in reaching their articulated goals. While CARB has stated that the Update will not include a review of existing measures, NCPA believes that this approach should be reconsidered. In 2008, CARB released a Scoping Plan that was based on years of workshops and data collection, and which proposed several key programs –

3 Cal. Health & Safety Code § 38561(a).

many of which were intended to complement the then-upcoming cap-and-trade program. However, it is wrong to assume that all of those measures – no matter how well documented in 2008 – were effective or are still necessary. Each of these measures should be reviewed, and if a measure was not successful or did not perform as anticipated over the last five years, there should be a further analysis into the reasons why. It may be that the measure is simply not the best vehicle to achieve the envisioned reductions. If that is the case, alternatives should be considered that represent better options to effect the needed reductions. NCPA believes that one such program is the Scoping Plan’s treatment of combined heat and power (CHP). The CHP-related reductions envisioned in the 2008 Scoping Plan have not been realized, and many technological changes have called into question the viability of continuing to advance that particular measure as an effective emission reduction tool. Instead, other energy-related programs may better meet the GHG reduction levels that were not realized as part of the CHP program, and the value of scarce resources may be better spent on revising the measure or refocusing on another program.

Changes in the Electricity Sector Should be Carefully Considered in Developing Program Measures for the Electricity Sector. The Energy Committee has set forth a robust list of actions for 2020, many of which are already reflected in the Scoping Plan. As noted above, before determining that the State should continue to invest in all of these measures, CARB should utilize the statutory requirement to update the Scoping Plan as an opportunity to verify that these measures continue to be necessary, and that they still represent the best options to “achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions.”⁴

The Electricity Committee has also provided a “Vision for 2050,” and set forth a number of very aggressive goals. Some, like low carbon generation, are an outgrowth of the shorter term RPS objectives. Others, such as a highly flexible and robust distribution and transmission infrastructure are going to be key to achieving the desired reductions, but which also represent implementation challenges. The Electricity Committee should carefully analyze all of the 2020 actions, and the way in which advancing those measures to a greater extent will allow maximization of the ultimate 2050 goals. Such an analysis should also look at other state

4 Cal. Health & Safety Code § 38560.

mandates and policy objectives that will directly impact the energy sector. This analysis would then enable CARB to prioritize the measures and view them in light of the changing electricity landscape. California's electricity sector is already clean and greener than the national average, due in part to the RPS and other existing programs. The long term policies implemented as part of the Scoping Plan Update should look at the success of past policies and the ways in which the existing measures can be improved to address the greatest challenges the sector faces, such as integration of an ever increasing level of renewable electricity while maintaining grid reliability.

The Update Should Take into Account the Cost Effectiveness of Each Measure:

An important aspect of both the 2020 goals and the 2050 vision is cost-effectiveness. The cost-effectiveness of the programs must be considered - not only to ensure that the value of limited resources are used to their fullest potential, but because it is mandated by AB 32.⁵ Additional program measures, emerging technologies, and changing trends are all part of the current energy sector landscape. Each of these should be carefully considered when deliberating on the most viable options for additional emissions reduction measures to be included in the Scoping Plan Update.

Conclusion: NCPA appreciates the opportunity to provide these comments to CARB on the proposed focus areas for the 2013 Scoping Plan Update, and looks forward to continuing to work with CARB, its sister agencies, and other stakeholders in developing the most viable, robust, cost-effective, and economically feasible long-term emissions reduction goals for the State of California.

If you have any questions regarding these comments, please do not hesitate to contact the undersigned or Scott Tomashefsky at 916-781-4291 or scott.tomashefsky@ncpa.com.

Sincerely,



C. Susie Berlin
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Attorneys for the:
NORTHERN CALIFORNIA POWER AGENCY

⁵ See Cal. Health & Safety Code § 38560, § 38561(a).