



September 3, 2021

Rajinder Sahota
Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

**RE: Joint Utilities Comments on the August 17, 2021, 2022 Scoping Plan Update -
Scenario Concepts Technical Workshop**

Dear Ms. Sahota,

The Joint Utilities, Pacific Gas and Electric Co (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas), appreciate the opportunity to submit comments regarding the August 17, 2021, 2022 Scoping Plan Update - Scenario Concepts Technical Workshop. We also appreciate the thorough presentations that informed the public and the Environmental Justice Advisory Committee (EJAC) of the multiple models that will be used to create the 2022 Scoping Plan. It is important that the models, their assumptions, inputs, and limitations be understood by the public. This transparency is paramount.

California's goals to decarbonize call for a transformation of the way energy is generated, delivered, and consumed; the Joint Utilities are committed to enabling and accelerating the transition to carbon neutrality on behalf of our customers and the communities we serve by meeting California's new energy needs.

The Joint Utilities appreciate the California Air Resources Board's (CARB) commitment to studying multiple options in order to identify potential paths and timeframes that could **feasibly** support achieving California's carbon neutrality goals. These "pathways" will guide subsequent policy decisions impacting the Joint Utilities and the homes and businesses we serve. We are concerned that California has limited time to perform the necessary analysis to reach our decarbonization targets. In an ideal world with an abundance of time and resources, it would be possible to run all permutations of potential scenario options, however we do not have this time, thus the Joint Utilities recommend that CARB focus on scenarios that are feasible. We believe that scenarios that are unattainable or unsustainable should not be entertained, as they would detract much needed time and resources from feasible scenarios. If infeasible scenarios were selected as final Scoping Plan pathways, the result could be policies and mandates that would lead utilities in the wrong direction and ultimately cause California to fail in reaching its carbon

neutrality targets. The Joint Utilities believe the main lens from which to measure the feasibility of scenario options is by prioritizing **reliability and affordability**.

Reliability and Affordability are Essential for All Carbon Neutrality Scenarios

The August 2020 reliability events highlight the importance of adequate resource and transmission planning. To preserve reliability and resiliency, we must assure an adequate and flexible energy supply consisting of a mix of technologies, (including clean firm and dispatchable resources), energy that is routed to load centers by transmission, and clean fuel as we continue to shape the paths to achieve California's 100% renewable and zero-carbon electricity goals. Reliability cannot be compromised.

Given the electricity sector will play an oversized role in California's economywide decarbonization scheme (regardless of path or timeframe), it is essential that all greenhouse gas (GHG) reduction scenarios, including for electricity, building decarbonization, transportation, and industry (manufacturing, construction, and agriculture), do not jeopardize the critically important need for safe, reliable, and affordable electricity 24x7 for all days and all seasons of the year.

Performing supply-side modeling for carbon neutrality scenarios to ensure electric system reliability is critical and necessary, and it is important to understand that this work has not yet been completed. The final SB 100 Report found that SB 100 is directionally achievable, but the modeling was inconclusive with respect to reliability. Thus, all Scoping Plan scenarios, including those that leverage SB 100 scenarios to inform needs for the electric sector, need additional reliability analysis beyond what was performed in SB 100 modeling to ensure they are achievable.

Maintaining affordable electricity rates is also key to the success of achieving the state's carbon neutrality goals and ensuring a just and equitable future. Inflated electricity rates will both hinder our ability to achieve economywide decarbonization and have potentially devastating impacts on those who are already struggling to pay their bills. In assessing affordability, it is necessary to consider future rate increases in the context of the cumulative impacts of electricity and natural gas rate increases to households and business customers.

This consideration becomes even more crucial as low-income communities are expected to hold a disproportionate burden of stranded costs, resulting in inequitable outcomes. Including fuel switching costs will give CARB a realistic projection of true costs that will be faced by Californians and in particular by low-income communities.

Further, any scenarios resulting in an unreliable electricity grid or unaffordable rates should be immediately discarded.

Also, we understand that the modeling process is iterative and as such the appropriateness and adequacy of each selected scenario won't be understood fully until model runs are complete. Even if scenarios are selected for their expected benefits to **reliability and affordability**, the outcomes of those scenarios will only be known after receiving modeling results. To maintain continuous transparency, CARB should build the Scoping Plan schedule to allow an additional

round of stakeholder scenario feedback after the preliminary run. In response to verbal comments, CARB staff indicated that the initial run of selected scenarios will occur later this year. The Joint Utilities recommend that CARB plan a workshop to allow stakeholders to view scenarios and their modeling results together. The workshop schedule should allow sufficient time to incorporate stakeholder feedback into subsequent scenario selection and model runs that will inform the Spring 2022 Draft Scoping Plan.

In addition to our comments herein, the Joint Utilities support the comments made in the Joint POU letter on the Scenarios Concept Workshop.

Conclusion

Reliability and affordability are paramount to the success of California's decarbonization efforts and must be incorporated as the filters that CARB will utilize to select the set of Scoping Plan scenarios that E3, UC Irvine, and Rhodium will ultimately model and analyze. Using these pillars to gauge the feasibility of potential scenarios is critical to avoid unrealistic or unachievable scenarios. Further, transparency of analysis and modeling is critical to the success and acceptability of the Scoping Plan work. We urge that CARB add another round of scenario review after test runs have concluded. The Joint Utilities strongly believe that these considerations will help lead to a Scoping Plan that can help California achieve its 2030 goals and ultimately carbon neutrality by 2045.

Sincerely,

/s/ Mark Krausse

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