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April 28, 2017 | Submitted Electronically

Clerk of the Board California Air Resources Board 1001 I Street Sacramento, CA 95814

Re: SCPPA Comments on the Proposed Second 15-Day Modifications to the Regulations for the Mandatory Reporting of Greenhouse Gas Emissions

Thank you for the opportunity to provide comments to the Air Resources Board (ARB or Board) on the second 15-day modifications to the Mandatory Reporting Regulations (MRR). SCPPA appreciates staff's efforts to better understand our Members' concerns – as representatives of their local communities, our Members' recommendations consider cost, safety, and reliability impacts to their ratepayers at the head of the decision-making process.

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. Our Members collectively serve nearly five million people throughout Southern California – with many of our customers residing in disadvantaged communities. Each Member owns and operates a publicly-owned electric utility governed by a board of local officials who are directly accountable to their constituents. Currently, SCPPA and our Members own, operate, or have binding long-term procurement arrangements with 38 generation and natural gas projects and three transmission projects, generating power in California or importing from Arizona, New Mexico, Utah, Oregon, Washington, Nevada, Texas, and Wyoming. This is in addition to individual, Member-owned or contracted and operated transmission, generation, and natural gas projects throughout the Western United States.

SCPPA offers the comments below for staff's consideration in this regulatory package.

Request to Adopt an August 15 Verification Deadline

ARB staff's proposed modification in the second 15-day package shift the verification reporting deadline from September 1 up to August 10. The first 15-day package suggested an August 1 date to better enable ARB staff to process the information received in time to inform future allowance allocations. In its last letter, SCPPA requested that ARB staff either maintain the currently in-place September 1 deadline or consider modifying to August 15 at the earliest. We understand that ARB staff is concerned with the bottleneck that last minute submissions creates, but also note that moving the deadline up is very problematic for our Members. SCPPA appreciates staff's intent to find a middle ground with stakeholders' requests. However, despite the proposed shift to August 10, the reporting deadline is still problematic for SCPPA Members. The additional five days that SCPPA proposed (i.e. August 15) could make the difference in whether or not a reporting entity is able to comply with the regulation. We urge ARB staff to reconsider adopting a date no earlier than August 15 for this important deadline.

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¹ "SCPPA Comments on Mandatory Reporting Regulation 15-Day Language", at page 8.

<u>Support for Reinstatement of Exemptions for Grandfathered Contracts and Dynamically Tagged Power Deliveries</u> <u>from the Lesser-of Analysis</u>

SCPPA strongly supports ARB's proposal that, as compared to the first 15-day amendments, would re-insert the exemptions for grandfathered contracts and dynamically tagged power deliveries from the "lesser of" analysis.² Maintaining these provisions will avoid what would have been a significant increase in the administrative burden placed on reporting entities to comply with the regulations. Reinstatement of the exemptions will allow our Members to keep their customers' costs down as a result. ARB staff had previously noted that it was seeking additional information from stakeholders to understand the implications of this policy shift. SCPPA offered input on what we foresaw to be the key issues with removing these two exemptions, and is now pleased to see that staff has made favorable changes to address our concerns.

Request for Inclusion of Qualifying Language on Provisions Related to Clean Power Plan Implementation

On Page 1 of the "Second Notice of Public Availability of Modified Text and Availability of Additional Documents," ARB staff note the proposed revisions include changes to align with the U.S. Environmental Protection Agency's requirements under the Clean Power Plan. SCPPA recommends that ARB consider adding qualifiers to such provisions to indicate when provisions related to the Clean Power Plan would be triggered (or, alternatively, would be deemed ineffective).

President Donald Trump's "Presidential Executive Order on Promoting Energy Independence and Economic Growth" directed U.S. EPA Administrator Scott Pruitt to review the Clean Power Plan and take steps to suspend, revise, or rescind the guidance pending the findings of the review.³ Given the federal political uncertainty, it makes sense to provide some caveated language within the regulations (or minimally, as part of the accompanying regulatory package documentation) to clarify the impacts on affected provisions. We understand that, if the Clean Power Plan is ultimately rescinded, ARB may need to revisit the regulations to reflect the change.

Conclusion

Thank you for your consideration of these comments. SCPPA and our Members look forward to continued discussions with ARB staff and other agencies to work towards mutually agreeable solutions that best advance the State's climate change goals in an affordable manner for California ratepayers.

Respectfully submitted,

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² "Proposed Second 15-Day Modifications to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions", Appendix A, page A-10.

³ Executive Order 13783 – Promoting Energy Independence and Economic Growth, March 28, 2017.