



November 23, 2020

Rajinder Sahota  
Chief, Industrial Strategies Division  
California Air Resources Board  
1001 I St.  
Sacramento, CA 95814

*Via Electronic Submittal at:*

<https://www.arb.ca.gov/lispub/comm/bclist.php#COMM2>

**Re: NGO Comments on Draft 2020 Update to the SB 350 IRP Electricity Sector GHG Planning Targets**

Dear Ms. Sahota,

On behalf of the California Environmental Justice Alliance (CEJA), Communities for a Better Environment (CBE), Natural Resources Defense Council (NRDC), Sierra Club California and the Union of Concerned Scientists (UCS), we urge ARB to adopt a more stringent greenhouse gas (GHG) planning target in 2030 for California's electric sector as part of this 2020 Update.

The Draft Update<sup>1</sup> appropriately recognizes that renewable energy requirements on California's electricity providers have increased since the modelling ARB conducted to establish the initial planning targets in 2018, which resulted in a range of 30-53 million metric tons of carbon dioxide equivalent (MMT) by 2030. Indeed, the Draft Update notes that the 60% Renewable Portfolio Standard (RPS) scenario modelled as part of the 2017 Scoping Plan lowered the top end of the range to 44 MMT, and that SB 100, passed in 2018, in effect codified that scenario. Rather than assert that GHG planning targets based on an outdated 50% RPS are still valid, we urge ARB to lower the range (with 38 MMT as the upper limit) to conform with current RPS requirements, align with existing procurement plans by many load-serving entities (LSEs), and accelerate California's clean energy transition.

Several reasons support this change. First, state law tasks ARB with ensuring compliance with the mandatory statewide GHG limits set by the Legislature in AB 32 and SB 32, and charting a path to achieve carbon neutrality by no later than 2045. As multiple analyses conclude, including E3's recent modelling for ARB,<sup>2</sup> the most

<sup>1</sup> <https://ww2.arb.ca.gov/sites/default/files/2020-11/sb350-draftreport-2020.pdf>.

<sup>2</sup> [https://ww2.arb.ca.gov/sites/default/files/2020-10/e3\\_cn\\_final\\_report\\_oct2020\\_o.pdf](https://ww2.arb.ca.gov/sites/default/files/2020-10/e3_cn_final_report_oct2020_o.pdf).

affordable and feasible path to achieving these goals rests on rapidly decarbonizing the grid to electrify other sectors. As electric loads increase, the pace at which California reduces the carbon intensity of its power mix will in turn determine the pace of reductions across the economy. Moreover, if ARB's adopted range in practice leaves the RPS as the primary driver of procurement (with GHG emissions as a byproduct, not a constraint), the target setting provision of SB 350 will have been rendered meaningless. To stay within our carbon budgets, LSEs need targets that optimize for GHG reductions across their portfolios, not simply the fraction of retail sales subject to the RPS.

Second, California needs to procure significant new clean energy resources to meet the zero-carbon electricity target in SB 100. The resource build rates identified in the Joint Energy Agencies' SB 100 draft report raise questions about the viability of achieving the 2045 target if LSEs procure only to comply with the 46 MMT target adopted by the CPUC based on ARB's initial range.<sup>3</sup> ARB can avoid that outcome by setting planning targets for 2030 that ensure LSEs are procuring and reducing emissions on a trajectory aligned with our long-term goals.

Third, fast-tracking emission reductions in the power sector will provide urgent relief to low-income and communities of color that disproportionately bear the brunt of harmful co-pollutants, which are emitted in higher volumes as gas-fired power plants cycle. Cycling natural gas plants by starting, stopping, and operating at partial load produces significantly more air pollution than facilities operated as baseload facilities.<sup>4</sup> The concerns about air pollution have heightened recently as studies show that communities breathing highly polluted air bear a higher risk of dying from COVID-19.<sup>5</sup>

Fourth, modeling conducted in the Integrated Resource Plan (IRP) proceeding has raised doubts about how well the California Public Utilities Commission's (CPUC) modeling reflects actual GHG emissions. In fact, the California Independent System Operator (CAISO) recently found that the CPUC's modeling likely underestimates GHG emissions by several MMTs.<sup>6</sup> To ensure that ARB's and CPUC's modeling puts the state on track to meet our GHG goals, the electric sector's GHG target should be no higher than 38 MMT. Several LSEs, which together account for more than three-quarters of CAISO forecasted sales by 2030,<sup>7</sup> are already planning to procure to the 38 MMT target.<sup>8</sup> ARB should backstop these commitments and ensure uniformity by adopting 38

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<sup>3</sup> See "SB 100 Draft Results" presentation, slide 42, available at <https://www.energy.ca.gov/event/workshop/2020-09/senate-bill-100-draft-results-workshop>.

<sup>4</sup> See CAISO SB 350 Studies, Volume 9, Table 4.4-3, p. 100, available at <https://www.caiso.com/Documents/SB350Study-Volume9EnvironmentalStudy.pdf>.

<sup>5</sup> See <https://projects.iq.harvard.edu/covid-pm>;  
<https://www.sciencedirect.com/science/article/pii/S0048969720321215>.

<sup>6</sup> California Independent System Operator, *Comments of the California Independent System Operator Corporation*, (October 2020), at 5.

<sup>7</sup> Calculated from LSE load forecasts developed by CPUC staff. All numbers are taken from [Table 1](#) of *Administrative Law Judge's Ruling Finalizing Load Forecasts and Greenhouse Gas Benchmarks for Individual 2020 Integrated Resource Plan Filings And Assigning Procurement Obligations Pursuant to Decision 19-11-016*, (April 2020) at 5 and 6.

<sup>8</sup> See California Environmental Justice Alliance and Sierra Club, *Comments of California Environmental Justice Alliance and Sierra Club on Load Serving Entities' Integrated Resource Plans*, (October 2020), at 17-18.

MMT as the floor sector-wide, while aiming for 30 MMT and even lower targets going forward.

The Draft Report “encourages” LSEs and publicly-owned utilities to plan to the bottom of their range, but ARB’s role in charting California’s climate future requires more than mere encouragement. Rapidly decarbonizing the electric sector is the backbone of the state’s climate plan, and ARB must adopt GHG planning targets for California’s electricity providers that are commensurate with the task. Frontloading reductions will also bring new clean energy resources online to provide much-needed jobs, public health benefits, and economic relief as California continues to weather the COVID-19 pandemic, and support reliability as the state prepares for the retirement of Diablo Canyon and long-delayed once-through cooling plants.

Accordingly, we urge ARB to adopt GHG planning targets for California’s electric sector that are no higher than 38 MMT in 2030.

Respectfully submitted,

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