SOUTHERN CALIFORNIA
EDISON
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September 4, 2009

VIA E-MAIL: jcostant@arb.ca.gov; jblakesl@arb.ca.gov

Jon Constantino
Jeannie Blakeslee
Office of Climate Change
California Air Resources Board

RE: Comments of Southern California Edison Company to the California Air Resources Board on the Proposed AB 32 Cost of Implementation Fee Regulation

Dear Mr. Constantino and Ms. Blakeslee:

Southern California Edison Company ("SCE") appreciates the opportunity to comment on the California Air Resources Board's ("CARB's") August 25, 2009 workshop on the Proposed Assembly Bill ("AB") 32 Cost of Implementation Fee Regulation.

CARB staff is proposing that CARB switch to a "First Deliverer" approach for implementing the administrative fee regulation. Under this approach, all in-state generators will pay a portion of the fee based on their reported energy deliveries to the grid, and all importers will pay a portion of the fee based on their reported electricity imports. Accordingly, CARB will no longer assess the administrative fee on fuel providers for electricity generation, as had been proposed in earlier drafts of the fee regulation. With the understanding that this revision is not intended, either philosophically or mathematically, to change the total administrative fee paid by a generation facility, SCE supports this proposed move to a "First Deliverer" approach.

SCE recognizes the effort from CARB staff in developing workshops and soliciting stakeholder input on proposed changes to the AB 32 administrative fee regulation. In designing the final regulation, SCE encourages CARB staff to incorporate principles of fairness and equity within and across sectors. SCE appreciates the opportunity to have worked with CARB staff in ensuring that the final fee regulation is fairly and consistently applied to all parties based upon their reported and/or calculated emissions.

Sincerely,

Joe McCawley

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