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California State Senate

SENATOR
DARRELL STEINBERG
PRESIDENT PRO TEMPORE
SIXTH SENATE DISTRICT

STANDING COMMITTEES:
SENATE RULES
CHAIR
APPROPRIATIONS
PUBLIC SAFETY



California Energy Commission

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OCT. 03 2012

April 17, 2012

Robert Weisenmiller, Chair
California Energy Commission
1516 Ninth Street, MS-33
Sacramento, CA 95814

Re: SB 1368: CA Greenhouse Gas Emissions Performance Standard

Dear Chair Weisenmiller:

I am writing in reference to the CEC's rulemaking relating to the further implementation of SB 1368 (Chapter 598 Statutes of 2006).

Under Public Utilities Code § 8341, California utilities are prohibited from committing to new long-term investments in baseload generation unless the plant meets the EPS. All utility baseload investments after the passage of the law are required to be in compliance with the EPS. The law further required the CPUC and CEC to "re-evaluate, continue, modify, or replace" the EPS once enforceable GHG limits are in place.

Consistent with this legislative direction, on January 12 of this year, the Energy Commission adopted an Order Instituting Rulemaking regarding the Greenhouse Gas Emissions Performance Standard (EPS). The rulemaking will consider modifications to the reporting requirements and whether it is necessary to provide greater clarity on which investments are allowed and precluded under the EPS at existing non-compliant EPS facilities.

I fully support this rulemaking and applaud the commission for taking up this important issue.

The EPS has played a critical back-stop role in our state's broader climate protection initiatives by ensuring utilities avoid new investments in high-emissions power plants. Going forward, the EPS will continue to be critical to ensure that our utilities avoid these investments and instead focus their resources on low and zero emissions power sources. Increasing statewide clarity and transparency about the applicability of the EPS to existing non-compliant facilities will also assist municipal utilities that still rely on high emissions power sources by creating a clear roadmap for their allowable involvement in non-EPS compliant power plants.

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In order to provide the certainty needed regarding long term investments, I would request that the rulemaking process move expeditiously to resolve any ambiguity about covered investments at these plants. I would further request that, in its deliberations, the CEC review advances in technology since its initial rulemaking action in 2007 to ensure the EPS is set at a level that achieves the greatest emissions reductions feasible. Finally, I'd encourage the commission to achieve the greatest possible emission reductions under any revised rule to minimize the amount of GHG pollution otherwise subject to market-based compliance mechanisms.

It is of the utmost importance that California utilities have a clear investment plan that will provide for compliance with the EPS, AB 32 and the 33% RPS. New long term investments in violation of the EPS would be inconsistent with all of these objectives.

I appreciate the Energy Commission's attention to this issue and I look forward to following the rulemaking closely.

Sincerely,



DARRELL STEINBERG
President pro Tempore

DP:kl

CC: CEC Commissioners