

STATE OF CALIFORNIA



California Energy Commission



California Public Utilities Commission

Notice of Joint California Energy Commission and the California Public Utilities Commission Workshop on Greenhouse Gas Allocation Issues in the Electricity Sector and Review of Economic Modeling Results

The California Energy Commission's (Energy Commission) AB 32 Committee (Chairman Pfannenstiel and Commissioner Byron) and the California Public Utilities Commission's (CPUC) President Peevey will conduct a joint workshop on greenhouse gas (GHG) allowance allocation issues in the electricity sector, and on Energy Environmental Economics, Incorporated's (E3) modeling results on comparing the cost-effectiveness of policy scenarios aimed at achieving GHG reductions in the electricity sector.¹ Other commissioners may also attend this workshop.

MONDAY, APRIL 21 and TUESDAY, APRIL 22

10 a.m. – April 21; 9 a.m. – April 22

CALIFORNIA PUBLIC UTILITIES COMMISSION

505 Van Ness Avenue (Auditorium)

Corner of Van Ness Avenue and McAllister Street

San Francisco, California

(Wheelchair Accessible)

This workshop will be available via [video webcast](#) from the CPUC

¹ The CPUC has engaged Energy and Environmental Economics, Inc. (E3) to utilize production simulation and other modeling tools to assess the cost-effectiveness of comparative policy scenarios aimed at achieving GHG reductions within the electricity sector. The contract was signed at the end of June 2007 and E3 commenced work on the project in July. E3 is conducting its work in two stages. Stage 1 focused on model architecture and broad analysis of the overall level of GHG reduction achievable by the sector within the 2020 timeframe and at what cost to ratepayers. In January 2008, parties filed opening and reply comments on the preliminary stage 1 results. In response to those comments and to implement the policy decisions jointly adopted by the CPUC and Energy Commission in D.08-03-018, E3 has made further modifications to its model and also expanded its functionality to provide staff and parties the ability to model the impacts on rates, power prices and total program costs of several different allowance allocation methods that are described in the staff straw proposal.

Purpose

This workshop is part of the ongoing joint proceeding that provides recommendations to the Air Resources Board (ARB) to implement AB 32 (Nuñez), Chapter 488, Statutes of 2006; Docket numbers are 07-OIIP-1 (Energy Commission) and Rulemaking 06-04-009 (Public Utilities Commission).

The workshop is a forum for stakeholders to discuss a staff draft paper about the GHG allowance allocation to be released by April 14, 2008, and results of economic modeling of the options presented in the staff draft paper. Written comments and reply comments will be filed later, as will be described in a forthcoming ruling also planned for April 14.

Background

The California Public Utilities Commission (CPUC) and the California Energy Commission (Energy Commission) have taken the lead to make a joint recommendation to the ARB on the GHG strategies best suited to the electricity and natural gas sectors. On March 12 and 13, the CPUC and Energy Commission adopted an interim opinion on the point of regulation and complementary principles for implementing AB 32. The CPUC/Energy Commission interim decision recommends that the point of regulation for the electricity and natural gas sectors should be the “first deliverer.” The CPUC/Energy Commission decision also recommends that energy efficiency and renewables should be the foundation of any regulatory approach for the electricity sector and will account for the majority of reductions.

The CPUC and Energy Commission are now launching the final phase of the joint proceeding focused on developing a recommendation on the preferred approach to the allocation or auctioning of allowances. The joint agencies are interested in hearing all reasonable proposals that achieve real and enforceable reductions in an equitable manner.

Public Participation

The Energy Commission’s Public Adviser’s Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser’s Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [pao@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

The service list for this proceeding is handled electronically, with notices and documents posted to the Energy Commission’s website. When new information is posted, an e-mail will be sent to those on the climate change e-mail list server. We encourage everyone interested in receiving these notices to sign up for the list server at: [www.energy.ca.gov/ghg_emissions/index.html]. Hard copies can be obtained by contacting Marc Pryor at (916) 653-0159.

Please direct all news media inquiries to the Media Office, at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us].

This Notice may also be accessed at:

http://www.energy.ca.gov/ghg_emissions/meetings/index.html.

The CPUC's notice may be accessed at:

http://www.cpuc.ca.gov/PUC/energy/electric/Climate+Change/070411_CCEvents.html.

Other Energy Commissioners and Public Utilities Commissioners may also attend and participate in the workshop.

Questions regarding the workshop should be directed to either Karen Griffin of the Energy Commission at (916) 654-4833, (kgriffin@energy.state.ca.us), or Scott Murtishaw of the CPUC Energy Division at (415) 703-5863, (sgm@cpuc.ca.gov).

Dated April 11, 2008, at Sacramento, California.

signed

JACKALYNE PFANNENSTIEL
Chairman and Presiding Member
California Energy Commission AB 32 Committee

signed

JEFFREY D. BYRON
Commissioner and Associate Member
California Energy Commissioner AB 32 Committee

signed

MICHAEL PEEVEY
President
California Public Utilities Commission

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.