



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop an
Electricity Integrated Resource Planning
Framework and to Coordinate and Refine Long-
Term Procurement Planning Requirements.

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**REPLY COMMENTS OF THE CALIFORNIA ENVIRONMENTAL JUSTICE
ALLIANCE AND SIERRA CLUB ON THE ADMINISTRATIVE LAW JUDGE'S
RULING SEEKING COMMENT ON GREENHOUSE GAS EMISSIONS ACCOUNTING
METHODS AND ADDRESSING UPDATED GREENHOUSE GAS BENCHMARKS**

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April 30, 2018

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The California Environmental Justice Alliance (“CEJA”) and Sierra Club respectfully submit these reply comments in response to the Administrative Law Judge’s Ruling Seeking Comment on Greenhouse Gas Emissions Accounting Methods and Addressing Updated Greenhouse Gas Benchmarks (“ALJ Ruling”). These reply comments are timely submitted in accordance with the schedule set forth in the ALJ Ruling.

Many opening comments responding to the ALJ Ruling shared CEJA and Sierra Club’s general critiques and suggestions for the GHG calculator tool that: (1) additional data and capabilities could improve the accuracy of the tool; and that (2) the Commission should evaluate the tool’s accuracy and its consistency with CARB’s methodology. As described further below, we support several of the specific points made in parties’ opening comments that provide additional support for these general critiques and suggestions.

(1) CEJA and Sierra Club Support Additional Ways to Improve the Accuracy of the Tool.

While CEJA and Sierra Club believe that there are benefits to using the GHG calculator’s hourly methodology, we also recommend improving its accuracy.¹ A central goal of the GHG

¹ See CEJA and Sierra Club April 20, 2018 Opening Comments, p. 1 (summarizing position). All comments filed on April 20, 2018 will hereinafter be referred to solely by the party filing the comments.

calculator tool should be to develop GHG projections and estimates that are as accurate as possible when compared to actual current values. Underestimating emissions will set the energy sector off-track from meeting the State’s GHG requirements, and it could lead to unintended, negative consequences.

As discussed in our initial comments, CEJA and Sierra Club recommend the following changes to improve the tool: (a) include consideration of air quality impacts; (b) include consideration of contractual agreements and other requirements that impact dispatch including operation at partial operation; (c) include consideration of GHG emissions from behind the meter combined heat and power; (d) incorporate lifecycle emissions into assumptions, including the system GHG emissions intensity; and (e) incorporate more granular emissions information for owned or contracted GHG-emitting resources.² Other parties support some of these same improvements. For example, the Joint Investor-Owned Utilities (“IOUs”) recommend examining and considering operation of facilities at partial operation,³ and the Center of Energy Efficiency and Renewable Technologies (“CEERT”) supports inclusion of behind-the-meter combined heat and power resources.⁴

In addition to the recommendations above, CEJA and Sierra Club support several parties’ recommendations. Initially, CEJA and Sierra Club agree with a concern raised by Powerex that biomass resources are assumed to be zero-GHG resources when the California Air Resources Board (“CARB”) assumes that they are not.⁵ Because biomass produces GHGs when burned, it

² CEJA and Sierra Club Comments, p. 1.

³ Joint Utilities Comments, p. 7.

⁴ CEERT Comments, p. 4.

⁵ Powerex Comments, p. 5.

is not accurate to categorize it as a zero-GHG resource. CEJA and Sierra Club request that the tool at least assume the same emission factors for biomass as CARB.⁶

CEJA and Sierra Club also support the concern raised by The Utility Reform Network (“TURN”) that there should be additional scrutiny for import emissions to ensure that the imports are leading to real GHG reductions and not just resource shuffling in another state.⁷ Resource shuffling is a real concern because it can lead to under-reporting of emissions. In a previous analysis, CARB found that the GHG emissions from the CAISO’s Energy Imbalance Market had been underreported “by 43.8 percent over a 12-month period relative to unspecified source electricity.”⁸ Additional scrutiny is needed to ensure that emissions are not under-reported in this context as well.

Furthermore, several parties raised valid points about resources that should be more fully considered. As the Joint IOUs discuss, pumped storage and its capabilities need to be included within the GHG calculator tool.⁹ And as the Office of Ratepayer Advocates (“ORA”) states, the tool should also evaluate and explore different types of storage such as storage combined with solar.¹⁰ Finally, as the Clean Coalition discusses, capability should be added to allow for consideration of demand-side resources such as energy efficiency, demand response, and behind-the-meter photovoltaics (“PV”).¹¹

⁶ Powerex Comments, p. 5 (discussing CARB assumptions).

⁷ TURN Comments, pp. 1-2.

⁸ See CARB, Analysis of the Energy Imbalance Market and Mandatory Greenhouse Gas Reporting and Cap-and-Trade Regulations, Attachment F, p. 1, <https://www.arb.ca.gov/regact/2016/capandtrade16/attachf.pdf>.

⁹ Joint IOU Comments, p. 6.

¹⁰ ORA Comments, p. 4.

¹¹ Clean Coalition, p. 3.

(2) CEJA and Sierra Club Support ORA’s Request for Additional Process to Evaluate the Tool.

In its comments, ORA requests a workshop to compare the GHG calculator methodology with other methodologies, provide further information on the basis for the assumptions in the tool, and to evaluate the accuracy of the tool.¹² CEJA and Sierra Club support ORA’s request for additional process and further ask for the evaluation of criteria air pollutants to be discussed and included within this process. It is important that the Commission ensure that this tool is as useful as possible and does not lead to unintended consequences in this first iteration. Additional process will help accomplish this goal.

CONCLUSION

CEJA and Sierra Club appreciate the opportunity to submit these reply comments.

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Respectfully Submitted,

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¹² ORA Comments, pp. 6-8.

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