



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

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Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
Related Procurement Processes.

Rulemaking 20-05-003

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) REPLY COMMENTS
ON ADMINISTRATIVE LAW JUDGE'S RULING ESTABLISHING PROCESS FOR
FINALIZING LOAD FORECASTS AND GREENHOUSE GAS EMISSIONS
BENCHMARKS FOR 2022 INTEGRATED RESOURCE PLAN FILINGS

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Pursuant to the *Administrative Law Judge’s Ruling Establishing Process for Finalizing Load Forecasts and Greenhouse Gas Emissions Benchmarks for 2022 Integrated Resource Plan Filings* dated April 20, 2022 (“Ruling”), Southern California Edison Company (“SCE”) submits its reply comments in response to comments submitted by the California Environmental Justice Alliance (“CEJA”) and Sierra Club.

**I. THE COMMISSION SHOULD NOT SET A 2045 ELECTRIC SECTOR
GREENHOUSE GAS TARGET OF ZERO MILLION METRIC TONS**

SCE agrees with CEJA and Sierra Club on the need for aggressive action to meet California’s greenhouse gas (“GHG”) reduction and carbon neutrality goals and reduce criteria pollutants, especially in disadvantaged communities. However, the California Public Utilities Commission (“Commission”) should not adopt CEJA and Sierra Club’s recommendation to establish a 0 million metric ton (“MMT”) electric sector GHG target for 2045.¹

First, a 0 MMT GHG target for 2045 should first be supported by findings and recommendations in the most recently adopted California Air Resources Board (“CARB”) Scoping Plan and the Commission, CARB, and the California Energy Commission’s (“CEC”) Senate Bill

¹ The Environmental Defense Fund (“EDF”) also recommends a 0 MMT electric sector GHG target for 2045. See EDF Comments at 3-7.

(“SB”) 100 Report before it can be adopted for use in the Integrated Resource Planning process (“IRP”). SB 350 requires load-serving entities’ (“LSEs”) IRPs to meet the GHG emissions reduction targets established by the CARB, in coordination with the Commission and CEC.² The CARB Scoping Plan update process is the appropriate venue to holistically identify the most feasible, cost-effective, and equity-focused path to achieve carbon neutrality by 2045, while also assessing progress toward the state’s GHG reduction targets and providing guidance on sector-specific GHG targets.³ The Proposed Scenario outlined in CARB’s Draft 2022 Scoping Plan Update currently assumes a 30 MMT GHG target for the electric sector in 2045⁴ – double the amount proposed in the Ruling. As CEJA and Sierra Club note, the Draft 2022 Scoping Plan Update is subject to change and will be finalized after LSEs’ IRP filings are due in this proceeding.⁵ The Commission should use CARB’s 2022 Scoping Plan Update to inform the 2045 electric sector GHG target in the next IRP cycle.⁶ However, it would be premature and procedurally inappropriate to reduce⁷ the 2045 electric sector GHG target from 15 MMT to 0 MMT in the Commission’s IRP process while CARB, the lead agency for climate change programs, is simultaneously considering a comprehensive economy-wide strategy that may chart a different trajectory for the electric sector.

Additionally, CEJA and Sierra Club’s proposal is inconsistent with the 2021 SB 100 Joint Agency Report, which presented three Core Scenarios to meet the 100 percent clean electricity target – all of which include some level of fossil-fueled resources.⁸ Establishing a 0 MMT electric sector GHG target in the IRP process before the CARB Scoping Plan or SB 100 Joint Agency Report have identified that as a viable and cost-effective path forward is akin to putting the cart before the horse.

² See Cal. Pub. Util. Code § 454.52(a)(1)(A).

³ See CARB, Draft 2022 Scoping Plan Update, May 10, 2022, available at: <https://ww2.arb.ca.gov/sites/default/files/2022-05/2022-draft-sp.pdf>.

⁴ See *id.* at 60.

⁵ See CEJA/Sierra Club Comments at 5.

⁶ See SCE Comments at 4.

⁷ Although not explicitly addressed from a policy perspective, the 2021 Preferred System Plan assumed a 2045 target of 15 MMT. See Ruling at 9.

⁸ See CEC, Commission, CARB, 2021 SB 100 Joint Agency Report, Achieving 100 Percent Clean Electricity in California: An Initial Assessment, March 2021, available at: <https://efiling.energy.ca.gov/EFiling/GetFile.aspx?tn=237167&DocumentContentId=70349>.

The Commission should maintain the 2045 electric sector GHG target of 15 MMT for this IRP cycle and use the final 2022 CARB Scoping Plan Update to consider changes in the next cycle.

Second, CEJA and Sierra Club argue that SB 100 “requires that all electricity in California be either renewable or zero-carbon, not from fossil fuels” and that a “zero MMT target best meets the requirements of that mandate.”⁹ CEJA and Sierra Club cite the statute’s reference to “a transition to a zero-carbon electric system” and the legislative history of SB 100 as support for this assertion.¹⁰ CEJA and Sierra Club are incorrect.

In interpreting statutes, “it is well-settled that we must look first to the words of the statute, because they generally provide the most reliable indicator of legislative intent.”¹¹ “If there is no ambiguity in the language, we presume the Legislature meant what it said and the plain meaning of the statute governs.”¹² In addition, courts “should give meaning to every word if possible, avoiding a construction that will render any part surplusage.”¹³ CEJA and Sierra Club ignore the plain language of SB 100 stating: “It is the policy of the state that eligible renewable energy resources and zero-carbon resources supply **100 percent of all retail sales of electricity to California end-use customers** and 100 percent of electricity procured to serve all state agencies by December 31, 2045.”¹⁴ SB 100’s policy goal is that 100 percent of retail sales of electricity to California end-use customers be supplied by renewable and zero-carbon resources by 2045. It does not prohibit **any** generation of electricity from fossil fuels by 2045, as CEJA and Sierra Club suggest. CEJA and Sierra Club’s interpretation of SB 100 would read the statutory language making clear that the 100 percent goal is “of all retail sales of electricity to California end-use customers” completely out of the statute.¹⁵

⁹ CEJA/Sierra Club Comments at 3.

¹⁰ *See id.*

¹¹ *Murphy v. Kenneth Cole Productions, Inc.*, 40 Cal. 4th 1094, 1103 (2007) (citation and internal quotations omitted).

¹² *Id.* (citations omitted).

¹³ *Briggs v. Eden Council for Hope and Opportunity*, 19 Cal. 4th 1106, 1118 (1999) (citations omitted).

¹⁴ Cal. Pub. Util. Code § 454.53(a) (emphasis added).

¹⁵ The same SB 100 Senate Floor analysis cited by CEJA and Sierra Club also clearly states that the bill “[e]stablishes state policy that RPS-eligible and zero-carbon resources supply **100 percent of all retail sales of electricity to California end-use customers** no later than December 31, 2045.” SB 100 Senate Floor Analysis, August 28, 2018, at 2 (emphasis added).

As stated in the 2021 SB 100 Joint Agency Report, “SB 100 speaks only to retail sales and state agency procurement of electricity. The joint agencies interpret this to mean that other loads – wholesale or nonretail sales and losses from storage and transmission and distribution lines – are not subject to the law.”¹⁶ CEJA and Sierra Club’s incorrect interpretation of SB 100 should be rejected.

Finally, CEJA and Sierra Club’s proposal should be rejected because it fails to demonstrate that eliminating fossil-fueled resources is necessary to reach SB 100’s clean energy goal and carbon neutrality by 2045. SCE’s Pathway 2045, the 2021 SB 100 Joint Agency Report, and the CARB Draft 2022 Scoping Plan Update all set forth different and viable road maps to achieving deep decarbonization economy-wide and consider cost, feasibility, and trade-offs. By contrast, CEJA and Sierra Club assert gas retention is costly, unreliable, and likely to overburden disadvantaged communities¹⁷ with little more than anecdotal evidence and no consideration of the decarbonization of other industries. This provides no basis to deviate from existing guidance or bypass the ongoing CARB Scoping Plan process.

Respectfully submitted,

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¹⁶ CEC, Commission, CARB, 2021 SB 100 Joint Agency Report, Achieving 100 Percent Clean Electricity in California: An Initial Assessment, March 2021, at 59, available at:

<https://efiling.energy.ca.gov/EFiling/GetFile.aspx?tn=237167&DocumentContentId=70349>

¹⁷ See CEJA/Sierra Club Comments at 7-11.