

California Public Utilities Commission
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PRESS RELEASE

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CPUC APPROVES EDISON STUDY TO REDUCE GREENHOUSE GASES

SAN FRANCISCO, December 3, 2009 - The California Public Utilities Commission (CPUC), in its ongoing commitment to reducing the state's greenhouse gas emissions, today authorized Southern California Edison to co-fund feasibility studies of a California integrated gasification combined cycle (IGCC) plant with carbon capture and storage.

Edison will commit up to \$17 million to the Phase I feasibility studies associated with a facility known as the Hydrogen Energy California (HECA) project. Edison is also allowed to fund up to \$13 million in Phase II studies to further examine the permitting, engineering, and economics associated with this project, if the Phase I feasibility studies demonstrate that further studies are warranted.

The HECA facility would provide low-carbon electricity within California by gasifying non-conventional fuel resources (primarily petroleum coke from California's oil refineries or, as needed, blends of petroleum coke and other solid fuels) to produce hydrogen for electricity generation through an IGCC plant and capture the CO₂ for Enhanced Oil Recovery.

"This project would produce electricity, reduce exports of high polluting petroleum coke, and increase oil production in California. It would be a win, win, win for consumers. HECA would be a 250 megawatt facility in Kern County and would be a first-of-a-kind project designed with technology elements that are unlike any project under development," said CPUC President Michael R. Peevey. "The IGCC technology would reduce greenhouse gases, which would benefit ratepayers, the state, and the nation."

The U.S. Department of Energy has awarded \$308 million to support the HECA project.

The CPUC determined that the costs associated with the studies of the project are consistent with other projects of this type and amount to only 20 percent of the total forecast costs of the studies. The CPUC said that the project will provide Edison with a better understanding of this promising technology, which has the potential to reduce greenhouse gases and provide clean electricity. These benefits are especially beneficial to Edison ratepayers because California policy seeks to reduce greenhouse gases, the CPUC concluded.

The proposal voted on by the CPUC is available at
http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/110649.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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