



CALIFORNIA



[Union of Concerned Scientists



March 18, 2020

Honorable Gavin Newsom
c/o Alice Reynolds
1303 10th Street, Suite 1173
Sacramento, CA 95814

Via electronic email
Alice.reynolds@gov.ca.gov

Dear Gov. Newsom,

We appreciate your leadership as you govern the state through a period of sustained and unprecedented events – the Corona virus being just the latest in a series of challenges facing all of us. We believe that the climate crisis must also continue to be addressed with urgency, given its probable long-term impacts on the state and the planet. To that end, as a group of industry,

environmental, and justice organizations with decades of experience in California energy policy, we are writing you today to voice our alarm and seek your help. The California Public Utilities

Commission is poised to reverse course on state climate policy with its recently announced Proposed Decision in the Integrated Resource Planning (IRP) proceeding. The greenhouse gas emissions (GHG) target used in the IRP to determine new investment in our electric system will fail to put the State on a trajectory to achieve its climate goals.

In selecting a GHG reduction target for its modeling, the Commission reviewed the range established by the California Air Resources Board for the electricity sector, pursuant to SB 350 (DeLeon, 2015). Unfortunately, the Commission selected a 46 million metric ton (MMT) target for the IRP. That target predates SB 100 (DeLeon, 2018), which requires the state to decarbonize its grid by 2045. Furthermore, the Commission selected the 46 MMT target based on narrow resource modeling that underestimates state GHG emissions and fails to consider the full breadth of energy resources available to California.

This is not the time to delay – and we know you are aware of the importance of achieving climate change goals as a key strategy to reduce the risk of wildfires that have threatened the state’s economy and the well-being of its citizens. As parties to the Commission’s proceeding, we will file comments urging the Commission to correct this error and adopt the 30 million metric ton (MMT) target to inform its planning for 2030, but such advocacy alone may not compel the Commission to reconsider this order – which is why we are contacting you, directly.

The Commission must select the 30MMT planning target, which was modeled during the planning process. Pursuing the 30MMT target is the only way to ensure that the State identifies and supports development of the appropriate clean generation resources required to meet our climate and grid reliability goals. The 30MMT target will ensure California proceeds with timely and sustained procurement decisions now, thus avoiding a future of expensive and ill-planned ‘catch-up’ decisions; the consequences of which would inevitably fall on ratepayers. As Governor, you can recognize that California has undergone a significant shift in its energy system in the last few years. The California energy market needs a clear and decisive signal in this Decision; it is critical to encourage investment and to stabilize the energy market. Such stability will decrease any perceived investment risk and lower costs to customers; the 30 MMT target helps ensure that the electric grid will be affordable, clean and reliable on a timelier basis than what the Commission has proposed.

While the Commission will re-evaluate the GHG target as part of its IRP process in 2021-2022, California cannot afford a two-year delay in charting the right course. Indeed, based on its own modeling results, the Commission’s currently-recommended 46 MMT will *increase* state emissions between 2022-2030, ignoring the fact that California’s policies - and the climate crisis, itself - require a quickening pace to decarbonization. The California Energy Commission has identified the electricity sector as the lowest cost driver of GHG reductions in the economy and the linchpin for GHG reduction across other sectors, namely housing and transportation.

California will not achieve its statewide 2030 carbon reduction goals if the electric sector does not decarbonize further, and faster – goals we risk missing under the 46MMT target.

Given the urgency of the global climate crisis and California’s prominent place as a climate leader, the Commission is obligated to make the right decisions and investments now to keep us on course to reduce GHG emissions, accelerate and further develop the clean energy market, and restore cleaner air and a healthier environment for all. Your leadership is critical; even with the many other high profile energy matters on your desk, California’s role as a clean energy leader will be tarnished if we do not get this right. We ask you to convey this message to the

Commission and urge them to correct the Proposed Decision consistent with current law and targets for GHG emission reductions.

Thank you for your consideration, and for your ongoing commitment to ensuring a safe California and a clean and reliable electric grid. We stand ready to help in any way - you may rely on us.

Sincerely,

/s/ Danielle Osborn Mills

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CC: Electronic Service: R.16-02-007 (Integrated Resource Planning (IRP) Service List)