

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 12-03-014
(Filed March 22, 2012)

**NOTICE OF *EX PARTE* COMMUNICATION BY
CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE
AND SIERRA CLUB**

SHANA LAZEROW
Staff Attorney
Communities for a Better Environment
1904 Franklin Street, Suite 600
Oakland, CA 94612
Telephone: (510) 302-0430
Facsimile: (510) 302-0437
slazerow@cbeocal.org

Dated: February 11, 2013

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Pursuant to Article 8 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Environmental Justice Alliance (CEJA) and Sierra Club hereby file this notice of written ex parte communications with Commissioner Ferron and his advisor, Michael Colvin, Commissioner Florio and his advisor Matthew Tisdale, President Peevey and his advisor Damon Franz, Commissioner Peterman and her advisor Julie Fitch, and Commissioner Sandoval and her advisor Ditas Katague. The communication consisted of transmission of a letter, attached hereto as Attachment A, via electronic mail, on February 6, 2013.

February 11, 2013

Respectfully submitted,
/s/ Shana Lazerow
SHANA LAZEROW
Staff Attorney
Communities for a Better Environment
1904 Franklin Street, Suite 600
Oakland, CA 94612
Telephone: (510) 302-0430
Facsimile: (510) 302-0437
slazerow@cbeocal.org

Attorneys for CALIFORNIA ENVIRONMENTAL
JUSTICE ALLIANCE

Attachment A

February 5, 2013

Governor Jerry Brown
State Capitol, Suite 1173
Sacramento, CA 95814
fax: (916) 558-3160

Re: Urgent Request to Oppose Unneeded Gas-Fired Power Plants that will Block California Progress toward Reliable and Sustainable Energy System

Dear Governor Brown,

We write to urge action to stop California Public Utilities Commission (PUC) from taking a major step in the wrong direction by approving nearly 2,000 MW of new, expensive, dirty and unnecessary gas-fired power plants. During the blackouts caused by market manipulation in 2000-2001 California had generating capacity 38 percent greater than demand. Then, as now, there was no shortage of power plants. The September 2011 blackout in San Diego was caused by human error at an hour when the reserve margin was in excess of 30 percent. More gas-fired generation is not the answer.

Even with San Onofre Nuclear Generating Station offline, the summer 2012 peak demand caused no energy crisis, even during days that reached record-setting high temperatures. This rash of new gas-fired plant development will impede California's efforts to mitigate climate change, choke the state's progress toward renewables energy and your goal of 12,000 MW of Distributed Generation, and encumber the democratic progress toward Community Choice Aggregation (CCA). While there is no shortage of generation in California, the effects of climate change and local pollution are already being felt in California's most vulnerable communities. The time for enforcement of the state energy loading order and fundamental change is now.

For the Bay Area, the PUC approved the Oakley power plant purportedly to back up renewables. No one – not the Independent System Operator, not the Energy Commission, and certainly not the PUC itself – has completed a study showing the existence of such a need, let alone that the \$1.5 billion Oakley plant is the best way to meet any renewable integration need. The PUC must reconsider this ill-advised decision.

In Los Angeles, the PUC proposes to require more than 1,000 MW of new gas-fired generation. To arrive at this number, the PUC had to assume that none of the utility's demand response programs would work and two transmission lines would fail on the hottest day in ten years. These demand response programs, which SCE ratepayers have spent \$100s of millions to develop, are designed specifically to address hottest day demand. Unlike transmission and demand response, gas-fired power plants will emit pollution, including soot and smog-precursors, that contribute to the epidemic of asthma and cardio-pulmonary disease in one of the most polluted air basins in the nation. These health impacts put a serious strain on California's economy through increased healthcare costs, as well as lost funding from school absences and lost productivity from work absences. The PUC **must** reject this proposal.

In San Diego, the PUC may approve the Pio Pico plant to address a local area need that would only arise if three out of the four import pathways were down on the hottest day in ten years, and many

of the State's preferred resource programs fail. Although this need would arise in the San Diego local area, the plant would be located many miles away, and the power produced may not even be deliverable to the need. The PUC must reject this proposal.

California is already building thousands of megawatts of gas-fired plants, in addition to those mentioned above, despite having an extraordinarily large reserve margin. There is no danger that the lights will go out if the PUC rejects the Oakley plant, the Pio Pico plant and the 1,000 MW of proposed gas-fired generation in LA. By contrast, communities in these areas that desire to pursue CCA will have to pay for these outlandishly expensive new plants as part of their exit fees. Approval of these plants would erect additional barriers to the already-difficult CCA formation process. Approval would also ensure that California will not attain its climate goals; deprive residents of clean energy jobs, and leave the state with a fragile, unsustainable energy system and stranded assets for which we, ratepayers, will pay billions of dollars.

We respectfully urge you to communicate your disagreement with approval of Oakley, Pio Pico, and a mandatory additional 1,000 new MWs in the L.A. area. It is time to mandate that the state energy agencies enforce the Loading Order to protect us from the dangerous and expensive emissions from fossil fuel facilities. Doing so will not precipitate any generation shortage, but would do much to advance the renewable energy goals you have articulated—goals we, and the thousands of Californians we represent, support and share.

Sincerely,

Strela Cervas, Coordinator, California Environmental Justice Alliance

Bill Gallegos, Executive Director, Communities for a Better Environment

Diane Takvorian, Executive Director, Environmental Health Coalition

Penny Newman, Executive Director, Center for Community Action & Environmental Justice

Miya Yoshitani, Associate Director, Asian Pacific Environmental Network

Antonio Diaz, Executive Director, People Organizing to Demand Environmental & Economic Rights

Caroline Farrell, Executive Director, Center on Race, Poverty, and the Environment

Kathryn Phillips, Director, Sierra Club

Megan Baehrens, Executive Director, San Diego Coastkeeper

Sara Kent, Policy Director, Coastal Environmental Rights Foundation

Van K. Collinsworth, M.A., Resource Analyst, Executive Director, Preserve Wild Santee

Governor Jerry Brown
February 5, 2013
Page 3

Duncan McFetridge, Director, Cleveland National Forest Foundation

Prof. Kathleen Connell, M.A., Principal, Connell Whittaker Group LLC

John Reaves, Policy Director, U.S. Green Chamber of Commerce and Founding Director, Citizens Climate Lobby

Michael Beck, San Diego Director, Endangered Habitats League

Livia Borak, Legal Advisor, Coastal Environmental Rights Foundation

Emily Wier, Steering Committee Member, SanDiego350.org

Jeanne Brown, Co-President, League of Women Voters San Diego

James A. Peugh, Conservation Chair, San Diego Audubon Society

Al Weinrub, Coordinator, Local Clean Energy Alliance

Youness Scally, Executive Director, Everybody Solar

Carleen Pickard, Executive Director, Global Exchange

William Carney, President, Sustainable San Rafael

Allen Fernandez-Smith, President and CEO, Urban Habitat

Jakada Imani, Executive Director, Ella Baker Center for Human Rights

Rose Braz, Climate Campaign Director, Center for Biological Diversity

Kirsten Schwind, Program Director, Bay Localize

cc: Public Utilities Commissioners Ferron, Florio, Peevey, Peterman and Sandoval