

PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs

770 L Street, Suite 1230
Sacramento, CA 95814
(916) 327-3277

April 17, 2009

The Honorable Alex Padilla, Chair
Senate Energy, Utilities & Communications Committee
State Capitol, Room 4038
Sacramento, CA 95814**RE: SB 42 (Corbett) – As Amended April 14, 2009 – Oppose**
Status: Senate Energy, Utilities & Communications Committee

Dear Senator Padilla:

Thursday, the California Public Utilities Commission (Commission) voted unanimously to oppose SB 42. This bill would require the State Water Resources Control Board, no later than March 1, 2010, to implement a statewide policy on once-through cooling at coastal and estuarine power plants in consultation with the California Energy Commission and other relevant agencies. Further, it would require the State Water Resources Control Board to assess a fee for each gallon used in once-through cooling.

The Commission recognizes the author's environmental and marine life concerns associated with once-through cooling systems. However, SB 42 states that the "prompt phasing out of once-through cooling systems ... [is] in the best interest of the state" without any consideration of the impact on the reliability of the state's electrical system, the costs to electric utility ratepayers, or the state's economy. These considerations must be part of any statewide policy on once-through cooling. The Commission is also concerned about the impact of the per gallon fee on electricity rates.

Please see the attached analysis for a more detailed explanation of the Commission's position.

If you have any questions or wish to discuss this matter further, please do not hesitate to call me at (916) 327-7788.

Sincerely,

A handwritten signature in black ink that reads "Michael Poë".

MICHAEL POE
Legislative Liaison

Attachment

cc: The Honorable Ellen Corbett, Member, California State Senate
Members, Senate Energy, Utilities & Communications Committee
Kellie Smith, Senate Energy, Utilities & Communications Committee
Wade Teasdale, Senate Republican Caucus/Policy
John Moffatt, Chief Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger