

PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs

770 L Street, Suite 1230
Sacramento, CA 95814
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August 21, 2009

The Honorable Joe Simitian, Chair
Senate Environmental Quality Committee
State Capitol, Room 2080
Sacramento, CA 95814**RE: SB 696 (Wright) – As Amended June 17, 2009 – Support**
Status: Senate Environmental Quality Committee Hearing – August 26, 2009

Dear Senator Simitian:

The California Public Utilities Commission (CPUC) strongly supports this bill. The bill would provide a limited California Environmental Quality Act (CEQA) exemption for the implementation of specific South Coast Air Quality Management District (SCAQMD) rules creating or providing air emission offsets from the SCAQMD's internal air emissions bank.

This bill would address the "permit moratorium" as a result of the Los Angeles Superior Court decision, by allowing the issuance of over a thousand pending permits that rely on the SCAQMD's internal air emissions offset bank. Thus, the bill would help facilitate the replacement of older plants and the permitting of new, cleaner plants. In addition, the bill would enhance the Los Angeles basin's grid reliability by allowing SCAQMD to issue priority reserve credits to thermal power plants needed to meet current and future projected load needs during peak demand.

Please see the attached analysis for a more detailed explanation of the CPUC'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 cursive script that reads "Michael Poë".

MICHAEL POE
Legislative Liaison

Attachment

cc: The Honorable Senator Wright, Member, California State Senate
Members, Senate Environmental Quality Committee
Randy Pestor, Senate Environmental Quality Committee
Lance Christensen, Senate Republican Caucus/Policy
John Moffatt, Chief Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger