

# Informational Hearing on SB128

## California Climate Change Institute



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California Public Utilities Commission  
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# The Climate Institute Concept

- In April, 2008 the CPUC voted unanimously to create the California Institute for Climate Solutions.
  - Consortium of California's public and private universities, community colleges and national labs.
  - Focus on applied research, development & demonstration of cost-effective technologies to reduce GHG emissions from and adapt to impacts of inevitable climate change on California's electric and natural gas sectors.
- California Legislature subsequently passed AB1338, prohibiting the CPUC from allocating ratepayer funding for climate-related research.
  - CPUC vacated D0804039 in November, 2008
  - SB128 proposes creation of California Climate Change Institute



# Objectives

- **Support** California's public and private sectors in meeting near- and long-term GHG reduction goals for electric & gas industries.
- **Leverage** California's intellectual capital to contribute to our international leadership role in addressing climate change.
- **Evaluate** need for further workforce development and training in energy sector.



# Benefits to utility ratepayers

- **Minimize** costs of meeting California's GHG reduction targets for electricity/gas sectors
- **Capitalize** on low-cost reduction strategies in other sectors
- **Develop** adaptation strategies best suited for California's energy sector
- **Capture** benefits of California's leadership on GHG reduction



# Strategic Planning

- PUC directed the Institute to develop a Climate Solutions Strategic Plan for California's electric and gas sectors
  - Build on existing/ongoing roadmapping exercises (i.e. PIER, CAT)
  - Involve public/private/NGO sector experts
  - Coordinate closely with ARB, CEC, and other public agencies to identify gaps and avoid duplication
  - Focus on applied RD&D and technology transfer/commercialization
  - Plan to be updated periodically



# Strategic Research Committee to support planning process

- SRC comprised of academic, industry and policy experts.
- Supports strategic planning by:
  - Developing an inventory cataloging all publicly and privately-funded climate change-related research
  - Utilizing any other inventory efforts from relevant public agencies and coordinate with appropriate staff
  - Consulting the CARB and the Climate Action Team's Scoping Plan to determine what efforts are recommended for meeting the targets set in AB 32
  - Coordinating and collaborating with other agencies, academic and private sector to ensure efficient use of public monies for applied and directed research that is focused on practical technological solutions for reducing GHG emissions.



# Funding priorities and grant awards to be guided by a Ratepayer Benefit Index

		Other Sectors	Electricity/Gas Sectors
Potential GHG Emissions Reduction	Larger	<b>May be eligible:</b> <i>Consider funding projects if benefits can be captured for ratepayers</i>	<b>Eligible:</b> <i>Highest Priority</i>
	Smaller	<b>Not eligible</b>	<b>Eligible:</b> <i>Lower Priority</i>



# Recommended guiding principles for California Climate Change Institute

- Focus on applied research
- Engage the private sector and agencies with oversight of key industries
- Leverage ratepayer funding with private sector, federal and other public funding to the maximum extent possible
- Provide adequate funding for the Institute's mission
  - Publicly owned utilities' customers should share cost
  - Funding should be additional, not shifted from other state programs
- Maximum emphasis on competitive, peer-reviewed processes:
  - Hub location chosen by UC President thru competitive process with independent reviewers
  - Projects selected via competitive, peer-reviewed process





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