

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

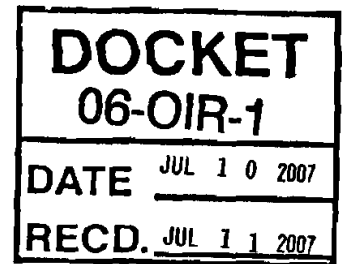
WEBSITES

Main website: www.energy.ca.gov
Children's website: www.energyquest.ca.gov
Consumer Information: www.ConsumerEnergyCenter.org



**ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION
OF THE STATE OF CALIFORNIA**

In the Matter of:)	Docket No. 06-OIR-1
)	
Proposed Adoption of Regulations)	
Establishing a Greenhouse Gases)	
Emission Performance Standard)	
For Baseload Generation of Local)	
Publicly Owned Electric Utilities)	
_____)	



NOTICE OF PUBLIC WORKSHOP AND COMMITTEE ORDER

I. NOTICE OF PUBLIC WORKSHOP

PLEASE TAKE NOTICE that the Electricity Committee (Committee), consisting of Commissioner Jeffrey D. Byron as Presiding Member and Commissioner John L. Geesman as Associate Member, will conduct a public workshop to discuss the Office of Administrative Law (OAL) disapproval decision and determine what changes should be made to the proposed regulations to address OAL's stated concerns.

THURSDAY, AUGUST 2, 2007
9:00 a.m.

California Energy Commission
Hearing Room A
1515 Ninth St.
Sacramento, CA 95814
[Wheelchair Accessible]

Audio from these meetings will be broadcast over the Internet.

For details, please go to:
www.energy.ca.gov/webcast/

Additionally, parties and members of the public who cannot attend the hearing in person may participate by calling the following toll-free number for the proceeding:

1-877-939-1568
Conference Leader: Gary Collord
Passcode: SB1368

II. BACKGROUND

On May 28, 2007 the Energy Commission adopted regulations pursuant to SB 1368 (Stats. 2006, Ch. 598) establishing and implementing a greenhouse gases emission performance standard for baseload generation of local publicly owned electric utilities. The final rulemaking package was submitted to the Office of Administrative Law (OAL) on June 1, 2007 with a request for expedited review. On June 29, 2007 OAL issued a decision disapproving the rulemaking action on the following grounds:

- A. It is unclear whether procurements involving powerplants under 10MW [megawatts] are covered by or exempt from the greenhouse gases emission performance standard established by the CEC. Consequently, the regulations fail to satisfy the Clarity standard of Government Code section 11349.1.
- B. The rulemaking record does not demonstrate that the exemption from the greenhouse gases emissions performance standard for investments in generating units added to a deemed-compliant powerplant that results in an increase of less than 50MW is reasonably necessary to implement, interpret, or make specific Public Utilities Code sections 8340 and 8341. Consequently, the exemption fails to satisfy the Necessity standard of Government Code section 11349.1.
- C. It is not clear whether the exemption from the greenhouse gases emissions performance standards for investments resulting in an increase of no more than a 10% increase in rated capacity is limited to investments for routine maintenance.
- D. The record does not show that the public has been given an opportunity to comment on the evidence the CEC is relying upon to demonstrate that the exemption from the greenhouse gases emission performance standard established by 2901(j)(4)(B) is reasonably necessary to implement the purpose of Public Utilities Code sections 8340 and 8341.

III. ORDER

The Committee orders all interested parties involved in this proceeding to submit comments and proposed language addressing the concerns identified in OAL's disapproval decision by 5 p.m. on July 27, 2007. Specifically, the Committee directs parties to focus comments on the following: 1) whether the exemption of added units of 50MW or less in section 2901(j)(3) is necessary to effectuate the purpose of SB 1368; and 2) whether the allowance of a 10 percent increase in rated capacity in section 2901(j)(4)(B) is necessary to effectuate the purpose of SB 1368 and under what circumstances, and, if it is necessary, what changes should be made to the language to better reflect the necessity of this provision. In order to facilitate the timely resolution of this matter, the Committee encourages the parties to work together to submit joint comments.

Those submitting comments by e-mail should indicate "Docket No. 06-OIR-1, Greenhouse Gases Emission Performance Workshop," with your name or your organization's name in the subject line of the e-mail. Provide your comments in either Microsoft Word format or Adobe Portable

Document format (PDF) and send to: [docket@energy.state.ca.us]. Parties submitting comments electronically must also submit the original paper copy to the Energy Commission's Docket Unit.

Those submitting comments by hard copy should indicate "Docket No. 06-OIR-1" and "Greenhouse Gases Emission Performance Workshop" in the subject line or initial paragraph of the comments and must provide an original plus 10 paper copies to the Energy Commission's Docket Unit.

Please send or deliver written materials to the following address:

California Energy Commission
Docket Unit
Attn: Docket No. 06-OIR-1
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

All written materials relating to the workshops which are filed with the Docket Unit will become part of the public record in this proceeding, and will be posted on the Energy Commission's website at: [www.energy.ca.gov/ghgstandards/].

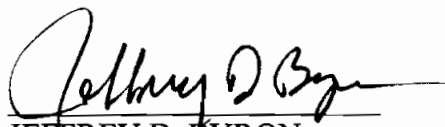
Public Participation

The Energy Commission's Public Adviser provides assistance to the public in participating in Energy Commission activities. For information on how to participate in the workshops, please contact the Public Adviser's Office by phone at (916) 654-4489, or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at: [pao@energy.state.ca.us]. If you have a disability and require assistance to participate in the workshops, please contact Lou Quiroz, at (916) 654-5146, at least five days in advance.

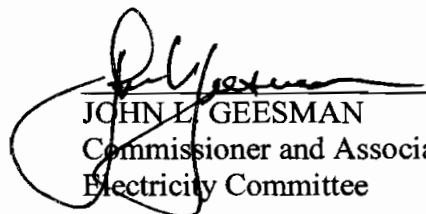
The service list for this proceeding is handled electronically, with notices and documents posted to the Energy Commission's website. When new information is posted, an e-mail will be sent to those on the energy-policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website at: [www.energy.ca.gov/ghgstandards/]

Media inquiries should be directed to Claudia Chandler, Assistant Executive Director, at (916) 654-4989 or by email to: [mediaoffice@energy.state.ca.us]. Technical questions should be directed to Gary Collord at (916) 651-9006 or by e-mail to: [gcollord@energy.state.ca.us].

Dated July 10, 2007, at Sacramento, California.



JEFFREY D. BYRON
Commissioner and Presiding Member
Electricity Committee



JOHN L. GEESMAN
Commissioner and Associate Member
Electricity Committee