

**Comments of the Natural Resources Defense Council (NRDC) on the
2009 Integrated Energy Policy Report (IEPR) Scope**

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Submitted by:
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I. Introduction and Summary

The Natural Resources Defense Council (NRDC) appreciates the opportunity to offer these comments on the proposed scope for the 2009 Integrated Energy Policy Report (IEPR) discussed at the California Energy Commission's *2009 Integrated Energy Policy Report (IEPR)* Committee hearing held on June 3, 2008. NRDC is a nonprofit membership organization with a long-standing interest in minimizing the societal costs of the reliable energy services that Californians demand. We focus on representing our more than 124,000 California members' interest in receiving affordable energy services and reducing the environmental impact of California's energy consumption.

NRDC commends the Commission for expanding the scope of the 2009 IEPR to incorporate comments heard at the April 28, 2008 Committee Hearing and for soliciting additional comments. We generally support the proposed scope included as Attachment A to the June 3, 2008 Committee hearing notice and summarize our comments below:

- NRDC recommends including a section in the 2009 IEPR on progress towards meeting the aggressive goals set by the publicly-owned utilities (POUs) pursuant to Assembly Bill 2021.
- NRDC recommends that the 2009 IEPR include an expanded discussion and further recommendations for encouraging renewable resources to replace natural gas use.
- NRDC recommends expanding the current water-energy nexus topic in the 2009 proposed scope to also include an assessment of the energy impacts associated with various water infrastructure options.

II. Discussion

NRDC recommends including a section in the 2009 IEPR on progress towards meeting the aggressive goals set by the publicly-owned utilities (POUs) pursuant to Assembly Bill 2021.

NRDC thanks the Commission and staff for the hard work on the first ever AB 2021 report released in December of last year. Moving forward, we urge the Commission to include a section in the 2009 IEPR on the publicly-owned utilities progress towards meeting AB2021 and SB1037 in order to maintain the momentum towards achieving the aggressive goals set by the POUs. In particular, we suggest that the Commission offer key guidance points to the POUs on setting rigorous targets pursuant to AB 2021, submitting thorough and complete status reports pursuant to SB 1037, and establishing robust independent measurement and verification protocols. For further details, please refer to pages 10-12 of NRDC's comments submitted on October 19, 2007 on the draft 2007 IEPR.¹

NRDC recommends that the 2009 IEPR include an expanded discussion and further recommendations for encouraging renewable resources to replace natural gas use.

NRDC appreciates the inclusion of recommendations in the 2007 IEPR that support natural gas efficiency and utilizing renewable resources, such as biomethane, to replace natural gas. Looking ahead to the 2009 IEPR, we recommend that the Commission incorporate additional recommendations to support the movement towards adopting renewable resources to replace natural gas. Specific policies the CEC could promote in the 2009 IEPR to encourage the use of biomethane include:

- Develop a Renewable Fuel Portfolio Standard like the RPS in the electric sector
- require utilities to increase procurement of biomethane every year
- Enable and encourage long-term contracts for biomethane facilities
- Facilitate biomethane suppliers' interconnection with the utilities' natural gas pipelines

¹ *Comments of the Natural Resources Defense Council on the Committee Draft of the 2007 Integrated Energy Policy Report*, submitted October 19, 2007.

- Pursue technology transfer from European countries that have significant experience with biomethane
- Expand the Public Interest Energy Research program's focus on RD&D to advance biomethane.

NRDC recommends expanding the current water-energy nexus topic in the 2009 IEPR proposed scope to also include an assessment of the energy impacts associated with various water infrastructure options.

NRDC supports the current water-energy pilot projects underway with the California Public Utilities Commission (CPUC) and looks forward to participating in the process moving forward. NRDC also appreciates the inclusion of the water-energy nexus topic in the *Public Interest Energy Trends and Strategies* section of the 2009 IEPR and recommends expanding this topic beyond simply the efficiency connection to also include an assessment of the energy impacts associated with various water infrastructure options. In particular, NRDC recommends that the Commission evaluate the energy consumption impacts of different water infrastructure options and offer recommendations to encourage prioritizing the least energy-intensive water infrastructure options.

III. Conclusion

NRDC thanks the Commission for the opportunity to comment on the proposed 2009 IEPR scope and for considering our recommendations.

Respectfully submitted,



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