

# CITY OF REDDING



## OFFICE OF THE CITY MANAGER

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August 4, 2009

California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814

Delivered via e-mail transmittal to: [sep@energy.state.ca.us](mailto:sep@energy.state.ca.us)

Re: Recommended Change to State Energy Program Preliminary Guidelines, publication # CEC-150-2009-004-D

Dear California Energy Commission:

Thank you for the opportunity to comment on the State Energy Program (SEP) Preliminary Guidelines. The City of Redding appreciates the collaborative effort the California Energy Commission (CEC) has expended in developing these proposed guidelines and looks forward to fully participating in the opportunities afforded by this Program.

In 2006, California Governor Schwarzenegger signed into law the "Global Warming Solutions Act of 2006" (AB 32). The CEC seeks to support this effort within the proposed SEP Grant criteria.

The City of Redding has advocated that a one-size-fits-all approach may not create the most effective Green House Gas (GHG) reductions to achieve the AB 32 goals. Rather, GHG reduction strategies should vary by region in order to recognize the wide array of climate zones within the State. For the climate and regional characteristics of Redding and the surrounding areas including the Central Valley of California, which often see extreme summer temperatures, the best opportunity to reduce GHG emissions is to encourage energy efficiency and reduce energy peak demand during the hot mid-day period.

During this period the availability of transmission, the availability of low emitting renewable resources that can be feasibly implemented, along with other mitigating

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DATE 8/4/2009

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circumstances such as unusual weather, hydro and economic conditions can conspire to drive-up GHG production.

Electricity called upon during summer peaking periods can involve generation from natural gas peaking plants, which are almost always less efficient than a standard combined-cycle natural gas power plant. The State of California, in the passage of SB 1368, has precluded utilities from entering into long-term contracts with a generating facility that emits more than 1100 lbs/MWh, or the average emissions of a combined-cycle natural gas plant. For comparison, a peaking natural gas plant can emit 1.5 – 2 times the emissions per MWh. In addition, spot market purchases may also be required for peaking loads, which can come from higher GHG sources such as coal due to less hydro availability during summer months.

Reductions in a utility's peak demand can decrease the need to build new generation and transmission facilities, both of which are less desirable to a majority of the public, and existing resources can be used in a more efficient manner.

We believe that actions that result in emission reductions during peak demand period should be recognized through the SEP criteria. Although overall reduction in energy demand such as those proposed in the criteria are important, Redding believes that reduction through peak load shifting to reduce peak demand is an excellent measure, maybe the best measure, to ensure GHG reductions and greater energy saving throughout much of California.

The City of Redding would recommend that the SEP Grant criteria give equal or greater weight to efforts to reduce peak generation demand through Time Dependent Valuation (TDV) efforts as acknowledged and credited under the State of California's comprehensive Title 24 building standards.

It is important that Redding and other communities subject to the Central Valley's extreme summer climate are given significant flexibility in the grant criteria to utilize every tool in the energy conservation toolbox to reduce GHG emissions. Reducing or shifting peak load is one of the most effective ways to achieve this goal.

Thank you for your consideration.

Sincerely,



Kurt Starman  
City Manager