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December 3, 2012

Commissioner Carla Peterman,
Lead Commissioner for IEPR
California Energy Commission
Dockets Office, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

California Energy Commission

DOCKETED
12-IEP-1A

TN # 68764

DEC 03 2012

Via email: docket@energy.ca.gov

CC: Stephanie Bailey, IEPR Author, Stephanie.Bailey@energy.ca.gov;

RE: Docket No. 12-IEP-1A, Draft 2012 IEPR Update

Dear Commissioner Peterman,

Environmental Health Coalition (EHC) respectfully submits the following comments on the Draft IEPR 2012 Update (Update). EHC is a 32-year old environmental justice organization representing low-income, communities of color in San Diego's urban core.

The driving, urgent force behind all energy policy must be mitigating the impacts of climate change and ending new greenhouse gas emissions. Climate change is reaching an alarming state as global carbon emissions and temperatures continue to rise¹ and we must stop placing the lives and well-being of our most vulnerable communities at risk, by not making fundamental changes to our energy system. This means moving beyond fossil fuels and building an energy system based on conservation, efficiency, distributed generation, smart grids, and microgrids.

Our overarching recommendation for the final Update and Renewable Action Plan (RAP) is to describe specific actions the Energy Commission will take within identified timelines, in order to avoid delay over the ambiguity of optional recommendations. The RAP should also be more explicit in explaining how the Energy Commission will compel other agencies and jurisdictions to follow the recommendations. Finally, we urge the Energy Commission embrace the ultimate goal of phasing out fossil fuels and developing and implementing appropriately aggressive strategies to realize this vision, as detailed in our comments that follow.

¹ "CO2 emissions rises mean dangerous climate change now almost certain", *Reuters*. Dec 3, 2012.

<http://www.guardian.co.uk/environment/2012/dec/03/co2-emissions-climate-change-certain>

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1. Prioritize Disadvantaged Areas for RE Development Statewide

California has a history of very inequitable distribution of dirty energy, accompanied by unreasonably high social and health costs, with low-income communities of color bearing a disproportionate burden. The Update acknowledges this fault and highlights that these disadvantaged communities “may not be in line to receive many of the benefits of increasing renewable development throughout the state” (p. 5). Any assessment of the “reasonable and equitable energy costs” (p. 24) of maintaining a reliable grid and designing rates should be approached with the goal of eliminating the inequity that has occurred for so many years.

We therefore support the Update’s recommendations to assess the monetary value of non-energy benefits of renewable energy— such as environmental and public health benefits, grid stability, and employment development in economically depressed areas— and prioritize renewable development in “areas of high unemployment and communities that are disproportionately burdened by environmental pollutants” (p. 45). We support using both the CalEnviroScreen tool and unemployment/underemployment data to identify these areas, as the CalEnviroScreen tool alone may weed out communities not as burdened by pollution but are nonetheless severely economically disadvantaged and would benefit from the economic boost of renewable development. We also support the Update’s recommendations to prioritize renewable development in areas that have the least environmental impact, are within the existing built environment, and near load centers and existing electrical infrastructure.

The Update recommends initially focusing on identifying preferred renewables/DG zones in the Central Valley because of its “high interest in renewable energy development as well as widespread economically disadvantaged areas” (p. 46). While we agree with this characterization of the Central Valley, we do not believe we should start the renewables/DG priority zone identification process with predetermined areas. Instead, we should use of the criteria to identify all areas that qualify throughout the state. A full analysis will show many qualifying areas in the San Diego Region that are economically depressed, suffer from pollution, are near areas of high demand and generation needs, and have the potential and desire for renewable energy. In fact, an EHC survey of low-income neighborhoods in San Diego and National City found that 72% respondents would be willing to pay *more* on their electric bill if it meant more solar would be installed in their communities.²

2. Strengthen Recommendation Re: Modifying RAM, FiT, and RPS Procurement Practices to Include Disadvantaged Communities

To put these new priorities for renewable development into practice, we support the Update’s recommendations that the CPUC modify procurement practices in the RAM, feed-in tariff projects, and other RPS projects. However, we urge the final report to recommend the CPUC *require* a minimum percentage of investment in disadvantaged, underemployed communities, rather than *encourage*. We also urge the final Update to recommend the CPUC change the RAM

² <http://www.environmentalhealth.org/index.php/en/media-center/press-releases/250-survey-says-72-of-south-san-diego-voters-willing-to-pay-more-for-local-solar>

and RPS selection criteria to include the above priorities, rather than just *consider* changes, and also alter feed-in tariff selection criteria.

3. Coordinate Workforce Redesign With CPUC WE&T Process

We concur with the Update's assessment that workforce training needs to better align with industry needs and directly link training to employment opportunities, especially in disadvantaged, underemployed communities. This is in line with the comments we made at the May 30 workshop on Jobs and Renewable Energy. In order to make the best use of resources and expertise, we recommend coordinating this effort with the CPUC efforts to redesign IOU EE WE&T Programs in 2013-14.

4. Phase Out Fossil Fuels and Nuclear; Achieve GHG Goals and Energy Security with Renewable DG and Storage in a Modern, Bidirectional and Intelligent Grid

We are pleased to see that the Energy Commission is thinking beyond the next 8 years and aims to push California towards higher RPS goals in the future and meeting the state's 2050 GHG reduction goals. We support the Update's recommendation for the CEC, CPUC, and CAISO to better coordinate and integrate DG procurement programs, the LTPP, smart grid deployment plans, transmission planning, and other planning processes (p. 61). We also support plans to collect and make public more detailed data on demand, distribution, and transmission.

However, we object to the Update's repeated implications that new natural gas plants are necessary to integrate renewable resources. This is misleading industry messaging. We are also concerned by the Update's conclusion that more transmission is required to meet RPS targets (p. 59) and by the proposal to streamline transmission environmental reviews and permitting before a need is proven (p. 60).

It is the archaic model of centralized fossil fuel and nuclear power plants that require large amounts of transmission infrastructure, not a modern, bidirectional and intelligent grid with smaller-scale, distributed renewable energy. This system of centralized power makes our grid vulnerable to infrastructure issues, as we saw with the region-wide blackout in September 2011. In addition, the Update points out that California imports nearly 90 percent of the natural gas it uses from out of state (p. 8), making us especially vulnerable to price fluctuations and availability issues beyond our control.

Nuclear energy shares many of these problems and we support the Update's proposal to develop a plan to permanently replace nuclear facilities in California. This plan should also include a phase-out of fossil fuels because, on top of the grid vulnerabilities of centralized power, natural gas-fired power plants continue to pollute our air and increase our vulnerability to climate change.

Germany is showing us that a reliable and diverse energy grid can and should be realized without fossil fuels, nuclear energy, or extreme transmission expansions, by strategically utilizing a

variety of available renewable resources that complement each other with varying peak time, such as wind and solar, as well as renewable resources that can provide a steadier source of energy such as geothermal, alongside storage. Germany currently produces about 25 percent of its electricity with renewable sources, and plans to continue to expand renewable energy over the next few decades³ while phasing out nuclear and natural gas, by using a variety of storage options alongside bidirectional, intelligent grids that will help tailor power *demand* to the available power *supply*—turning the current supply-demand relationship upside down.⁴ Major storage, however, will only be necessary after reaching over 40 percent penetration of renewable energy. In addition, while there appears to be consensus that some grid expansion is necessary to shift to modern [clean] energy sources, studies in Germany show that even doubling their amount of wind power capacity would require only minimal transmission infrastructure expansion,⁵ and they are exploring solutions to minimize construction of new transmission lines by using more distributed generation close to the load.

Locating renewable resources near load centers, alongside storage and a modern intelligent grid will allow California to phase out fossil fuels and nuclear energy and mitigate the “major uncertainty” in the reliability of San Diego’s “high reliance on the import capabilities of the new Sunrise Powerlink” (p32) and “relative lack of generating capacity in the San Diego area” (p33).

5. Prioritize Energy Efficiency and Conservation in Energy Procurement

We disagree with the Update’s assessment that the “effect of increased energy efficiency on electricity demand...could lessen the amount of renewable energy needed to meet the 33 percent renewable target” (p4), in light of the fact that the utilities have proposed numerous new fossil fuel plants over the last 12 months. Energy efficiency and conservation should be considered priority tools— in synergy with renewable energy— for avoiding new fossil fuel generation and retiring existing fossil fuel plants.

In order to put this goal into practice, there needs to be more certainty in the permanence and effectiveness of efficiency and conservation programs. The Update points out that the current uncertainty in outcomes of programs relying on voluntary participation (p26) or short-term funding cycles— like the IOU Energy Efficiency Portfolios— is a barrier to inclusion in demand forecasting and can lead to inaccurately high forecasts of generation needs. This demonstrates the need to have energy efficiency and conservation programs and requirements permanently integrated into California’s overall energy strategy. Energy efficiency should be added to the list of procurable resources in the Update’s recommendation that the CPUC allow all types of DR, energy storage, and other distributed technologies to participate in California ISO wholesale energy (p. 66).

³Cottrell, Chris, “German renewables output hits record high in H1”*Reuters*. Jul 26, 2012.

<http://www.reuters.com/article/2012/07/26/germany-renewables-idUSL6E8IQIA720120726>

⁴ *German Energy Transition*. <http://energytransition.de/2012/10/the-grid-and-power-storage/>

⁵ Ibid.

6. Prioritize Electrification of Trucks In Polluted Neighborhoods

We support the Update's recommendation to prioritize funding for deployment of electric vehicles in communities that are disproportionately impacted by transportation-related air pollution (p55). We recommend this effort focus on deploying electric medium- and heavy-duty trucks, as diesel truck emissions are currently a huge burden on environmental justice communities and cause very high asthma rates.

Conclusion

Once again, EHC appreciates inclusion of several of our prior recommendations into this draft 2012 Update and we appreciate the opportunity to provide additional comments, which we urge the Energy Commission to consider as a part of the final 2012 IEPR Update and the 2013 IEPR. We look forward to continuing to participate and collaborate with stakeholders in exploring more opportunities to realize a clean energy future and prosperous green economy for all California communities.

Respectfully submitted,



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Dated: December 3, 2012