

January 24, 2012

**VIA E-MAIL DOCKET@ENERGY.
CA.GOV**California Energy Commission
Dockets Office, MS-4
Re: Docket No. 13-IEP-1
1516 Ninth Street
Sacramento, CA 95814-5512Re: Draft 2013 Integrated Energy Policy Report Scoping Order**I. INTRODUCTION**

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) draft 2013 Integrated Energy Policy Report (IEPR) Scoping Order (draft Scoping Order).

PG&E generally supports the topics for consideration in the 2013 IPER proceeding, as outlined in the draft Scoping Order. The IEPR is the premier energy report for the State of California and profoundly impacts energy policy discussions. With this in mind, PG&E supports the CEC's choice to frame each topic broadly, creating a well-rounded approach for each issue. However, two topics stand in contrast to the draft Scoping Order's otherwise inclusive nature and should be broadened.

First, Topic 9, under the heading "Electricity," in the draft Scoping Memo reads: "Initiation of an evaluation of system needs in 2030 to provide a foundation for potential interim 2030 RPS targets as California moves toward its 2050 greenhouse gas emission reduction goals." PG&E recommends that Topic 9 be expanded to allow for a discussion of all alternatives that can reduce energy use or provide clean energy in a cost-effective manner.

Evaluating system needs to provide a foundation for 2030 interim Renewable Portfolio Standard (RPS) targets, as suggested by Topic 9, presupposes the relative effectiveness of pursuing interim RPS targets rather than other greenhouse gas (GHG) reduction measures. Given California's goal for limiting GHG emissions in 2050 to 20 percent of emissions in 1990, achieving this goal will involve policies outside the electricity sector.

As stated in previous comments to the CEC, PG&E believes that the development of interim 2030 targets under the RPS is premature and overlaps with resource planning activities

conducted for the investor-owned utilities (IOUs) by the California Public Utilities Commission (CPUC).

PG&E suggests that the CEC evaluate the full range of cost-effective clean energy alternatives to meet California's GHG emissions ceiling in 2050. Renewable resources are just one of several ways to reduce GHG emissions from the electricity sector – energy efficiency, demand response, efficient combined heat and power, hydroelectric power, extending the licenses of nuclear power plants like Diablo Canyon, and AB 32 programs are among the many other tools available – and the best GHG emission reduction tools for the post-2020 timeframe are unclear at this time.¹ The CEC has the expertise to develop an analysis that could serve as the cornerstone for evaluating post-2020 energy policies.

Accordingly, PG&E respectfully requests Topic 9 be revised as follows:

“Initiation of an evaluation of electricity system needs in 2030 to provide a foundation for ~~potential interim 2030 RPS targets~~ cost-effective, clean energy alternatives as California moves toward its 2050 greenhouse gas emission ~~reduction goals ceiling~~.”

Second, Topic 13, under the heading “Nuclear Power Plants,” in the Scoping Order reads: “Assessment of the reliability implications for California of outages at the nuclear plants or their failure to be relicensed.” PG&E recommends this topic be expanded beyond reliability to include all the implications of plant outages or relicensing. Specifically, Topic 13 should include possible cost impacts, environmental impacts, effects on the flexibility needs to integrate the 33 percent RPS, effects on reserve margin requirements, and other important policy considerations. Otherwise, Topic 13 will not provide decision-makers with a well-rounded approach to system needs issues as California moves towards its 2050 GHG emission ceiling.

Accordingly, PG&E respectfully requests that Topic 13 be revised as follows:

“Assessment of the reliability, cost, environmental, flexibility and other policy implications for California of outages at the nuclear plants or their failure to be relicensed.”

II. CONCLUSION

Thank you for the opportunity to provide comments on the draft 2013 IEPR Scoping Order. PG&E is happy to meet with CEC staff on these important topics.

¹ For example, if California's current cap-and-trade program is extended beyond 2020, a higher RPS target post-2020 might reduce GHG emissions from the electric sector, but not result in a reduction in California's total GHG emissions. A higher RPS for the electric sector would reduce the electricity sector's demand for cap-and-trade allowances, resulting in more allowances remaining in the marketplace, and likely at lower prices. As a result, other sectors will be able to buy more allowances at a lower price instead of investing in tools to curtail their emissions.

PG&E Comments to the CEC on *Draft 2013 Integrated Energy Policy Report Scoping Memo*
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Sincerely,

/s/

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