

August 21, 2014

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 14-IEP-1E
1516 Ninth Street
Sacramento, CA 95814-5512



RE: Docket No. 14-IEP-1E - Electricity Infrastructure - Southern California Reliability Plan

Dear Commissioners:

We, the undersigned, represent the three largest business associations in Southern California. Collectively we represent more than 5,000 businesses that employ more than 1.5 million people in the region. On behalf of Southern California's business community, we would like to submit the following comments regarding the *Southern California Reliability Plan* ("Reliability Plan") Workshop held in Los Angeles on August 20, 2014.

Our organizations are appreciative that the multiple agencies involved in implementing the Reliability Plan are continuing to coordinate with one another regarding their efforts. We acknowledge that the closure of San Onofre Nuclear Generation Station and the State Water Resources Control Board's impending Once Through Cooling (OTC) deadlines have created unprecedented grid reliability challenges in the impacted region. We believe continued coordination between the implementing agencies and robust public outreach is critical to ensuring that the energy needs of the business community and residents in the impacted region are adequately met.

While we're thankful to see the implementing agencies working closely together to address our grid reliability concerns, we remain concerned that input from the business community in Southern California is not being adequately sought out and represented throughout this process. Our three organizations submitted a letter expressing this concern in September 2013 when the Draft Reliability Plan was released and presented at two public workshops in the region (see attached letter).

There are thousands of commercial and retail businesses located in the impacted region that depend on reliable and affordable energy to operate. Most are unaware of the grid reliability challenges facing their region and the Reliability Plan that is being implemented to ensure they have access to reliable and affordable energy. The outcome of this process is likely to impact their future rates, yet little outreach has been conducted to ensure that their interests and concerns are adequately represented in the decision-making process.

We are concerned that a few, yet vocal advocacy organizations have been commenting at workshops in opposition to the use of any conventional resources to meet the impacted region's energy needs. We understand the unique air quality challenges our air basin faces and the need to prioritize preferred resources in the loading order. However, as noted by the utilities at the

August 20th Workshop, there is minimal afternoon industrial peak load in the impacted region. Most of the load is residential and peak load takes place in the evening around 8 p.m. Therefore, preferred resources alone cannot meet the impacted region's short and long term energy needs.

We strongly believe that the use of conventional resources is needed to ensure grid reliability and affordability in the impacted region. One particular project we believe is critical to ensuring grid reliability in the impacted region is the Carlsbad Energy Center ("Center"). The Center is strategically located in an area that will provide much-needed voltage support and is one of the few projects far enough along in the development and permitting process that can replace the power that will be lost by the Encina facility when it is retired in 2017. The Center is a cleaner and more efficient facility than Encina and will provide critical backup power in the region.

Our organizations and its members are committed to helping the implementing agencies resolve this unprecedented challenge. We stand ready to help conduct outreach to and represent the interests of Southern California's business community. We thank you in advance for this opportunity to comment on the Reliability Plan Workshop, and we look forward to working with you on this critically important issue.

Sincerely,



Lucy Dunn
President & CEO
Orange County Business Council



Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce



Jerry Sanders
President & CEO
San Diego Regional Chamber of Commerce

CC: Members, California Public Utilities Commission
Members, California State Water Resources Control Board
Members, California Independent System Operator Board of Governors
Members, South Coast Air Quality Management District Governing Board