California Energy Commission
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Ron Whitehurst [ron@rinconvitova.com] Monday, December 08, 2014 9:04 AM

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Energy - Public Adviser's Office

Subject:

comments on 2014 Integrated Energy Policy Report Update

Integrated Energy Policy Report 2014 – Feedback

I am Steering Committee member of Ventura350 that sponsors the Ventura County Climate Hub. I own a small business and work as a pest control advisor advocating biological control. I live in an oil field and am daily assaulted with the contrast between working toward a carbon neutral footprint and the outrageous oil activity around me. We work closely with the oil service company on projects around our property. We have a suggestion and other comments about the Energy Policy Report.

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Suggestion

We suggest a tariff on CBR trains to fund local responders in towns through which the trains run. Having cities pay for increased cost of protective services to benefit oil companies shipping CBR is an unfunded mandate.

Additional Comments

CBR – Crude by Rail The projected increase in CBR doesn't take into account a pending price on carbon. Several bills have been introduced into the US house and senate that would put a tax or fee on fossil carbon based fuels. See Citizens Climate Lobby's proposal for a carbon fee with dividend going to citizens. They are on target for getting a bill passed in 2015 with Republican support. With a yearly increase in the carbon fee of \$10 a ton, this will make oil production progressively less attractive financially. This makes it uneconomic for major investment for accommodating CBR for a few years production in light of how it supports a failing dominant paradigm.

Volatiles from the head space of CBR tank cars would leak from the cars in transit, filling and unloading. Some of these volatile compounds are BTEX (benzene, toluene, ethylbenzene, and xylene) compounds, that have been established by the state under Prop 65, to be carcinogens, or teratogens (cause birth defects). These would be wafting from the cars going through cities, at ports and at the refinery. There would also be methane and other alkanes venting that are greenhouse gasses. I don't see any significant coverage of this other than

a comment about fugitive methane from oil and gas production in the EV section This would seem to be a public health concern, a GHG concern, and an environmental justice issue as train tracks often go through lower income and brown/black communities.

Engines pulling CBR trains of 100 tanker cars will be consuming a lot of diesel fuel and putting out exhaust that has public health concerns, and GHG issues. Along with increased energy to extract the oil with fracking, pumping produced waste water (10 to 15 gallons water per gallon of oil) deep into the ground, and etc, the embedded energy or carbon foot print of the oil is increased. It starts looking like a shell game where oil and money are moved around but not much useful work is done to rationalize the negative environmental effects, negative health effects, and potential disasters (that increase risk with each mile a CBR train travels). A 100 car train, going slow through town as required, could easily block 3 intersections in a small town, which would be a concern if a loved one was in an ambulance on their way to the hospital.

Remove the barriers to distributed generation and rooftop solar: The report talks about large solar arrays in desert areas. Despite some views that desert ecology is expendable or irrelevant, deserts are alive and have a delicate ecosystem. Large arrays profit large companies, take a long time to permit, and have negative effects on the local ecology. In contrast solar panels on roofs protect the roof from weathering, reduce cooling loads for the building by intercepting the sun's heat, and are a symbol that we are going green. Small installations benefit small installers, are quick to permit, deliver energy where it is used, increase supply at peak load, and are cost effective. Arnold Schwarzenegger had a Million Solar Roofs Program. Governor Brown could have a "Couple Million More Roofs" program, implement a lot more solar electric in a much shorter time, and employ more people than a major solar array program in a desert.

A major impediment to roof top solar is that electric utilities will only accept solar electric to 80% of the customers usual use. This arbitrary limit should be removed and changed to the capacity of the wires into the home/business to carry current. A feed in tariff could be added to encourage more solar to replace the generating capacity of Diablo Canyon nuclear plant, so that the aging plant can be retired. Battery banks, including with smart PEV charger technology, can store surplus electric to make up for the diurnal solar cycle. We would rather the state buy ZEVs and give them to poor people, than subsidize carbon based liquid fuel (gasoline).

Phase out commercial ethanol by stopping subsidies. Ethanol from corn on a farm scale makes sense. A farmer can plant an acre of corn, ferment the corn to beer, distill it using farm waste for heat to grain neutral spirits, 190 proof (95% alcohol) and burn it directly in a gas engine tractor. One percent of your commodity production to plow your field is a good trade off. This activity can also keep a son or daughter busy on the farm. Ethanol from GMO corn produced with chemical pesticides, fertilizers and herbicides has a higher carbon footprint and represents major negative environmental damage. Then it is trucked a long distance to a processing plant that uses fossil fuel, fermented, distilled and distilled again to make anhydrous or dry alcohol to mix with gasoline (a stipulation put in by oil companies). Water with alcohol (95%) doesn't mix with gas until you reach 30% alcohol. Commercial ethanol production from corn has a high carbon and environmental footprint and doesn't make sense. Ethanol from switch grass looks better from a carbon and environmental footprint.

Biodiesel from palm oil is not a good compromise. Mixed forests are cut down and monoculture oil palms are planted and maintained with chemical fertilizers and pesticides. The biodiversisty of the forest decreases dramatically. Orangutans and other key species of wild life die off for lack of food. Many native peoples lose their livelihoods because little labor is required. The soil degrades and runoff causes problems downstream. Neighbor villagers get sick from pesticide exposure. In contrast Willie Smits of Masarang in Indonesia is growing sugar palm in mixed forests with a wide range of trees that produce food, fiber, medicine and forage

for animals. Orangutans and other wildlife species thrive and draw tourists. The sugar flows from flower stalks and doesn't hurt the tree to harvest the sap. The sap is collected and processed in an integrated processing plant that has about 10 products and is self sufficient with local inputs. The project employs many people, can't be automated, and provides quality of life in the context of a forest enterprise. Ethanol and bio-char are a couple of fuels that are produced for local use and for export.

CBR and natural gas coming into California from Canada, North Dakota, Colorado and Texas are produced by fracking and have a negative carbon and environmental footprint. Californians do not need to support fossil fuels with high social costs if are informed and suitably ambitious in the transition to preferred sources. The process of drilling a well takes energy and releases GHG like methane, and BTEX compounds into the air. This raises climate and health concerns. The well is fracked, using more energy and releasing more GHG and BTEX compounds in the air, along with volatiles in the frack fluid. To bring frack fluids to the well requires many trips of heavy trucks, tearing up roads, risking accidents, and degrading quiet rural life. Disposal of the frack flowback water takes energy and raises environmental concerns, because of the frack chemicals, oil residue, brine, toxic metals and radioactive material (from rock strata). For gas wells, connections and valves leak often enough to be a major GHG concern, as well as efficiency of getting the gas to where it will be used. Oil production is an industrial process – accidents happen. The more oil and gas that is produced by extreme extraction techniques – the more spills, ground water contamination, and cancer in nearby residents. The problems in Denton, TX were so bad that despite massive oil company expenditures, the citizens voted in a ban on fracking. This is one of the places we are getting our natural gas. All natural gas burns relatively clean, but if the well was fracked, there is a lot of misery and embedded carbon behind it. This should be a consideration in our energy policy. How a fuel was produced in another state or country matters.

We call for a state ban on fracking. We got a ban on fracking in San Benito County despite being out spent by oil companies 85 to 1. The group behind measure J had good grassroots support. A similar measure P in Santa Barbara County against fracking and other extreme well completion techniques, did poorly in face of nearly 8 million dollars of oil company dis-information, even though it was the location of a massive 1969 oil spill. The sponsoring group was not as well organized, and did not reach out to emergency service personnel. There is an existing ban on fracking from the SB Board of Supervisors. These ban fracking efforts will grow, fought by Astroturf groups set up by WSPA. The Halliburton loophole prevented EPA from looking at the problems with ground water and air contamination from oil drilling activities, so the true costs in terms of fracking making people sick and contaminating the environment are just coming out. If continued oil production in California is dependent on fracking the future looks rocky. Public backlash is growing. The cost of the process, a couple million dollars, can only profitably be done once per well, with results diminishing in a couple years. More and more money and energy to get less and less oil. It is time to put our public resources into the next generation renewable energy.

Fracking is just mentioned on 2 pages of the report with the sanitized term, well completion, mentioned on another page. This is a big issue for many in the state, and a major environmental concern, here and in states where we get oil and gas, and should be a bigger factor in where we get our energy. In Ventura County we get \$2 billion revenue from agriculture, which depends on clean water. We already have one aquifer contaminated from Rocketdyne/ Santa Susana test facility in the North East part of the county that may take a couple hundred years to clean. With 13,000 historic wells and 6,000 active oil wells, there are a lot of holes in the impermeable layer that separates the oil from our drinking water. Some of the old wells from 100 years ago were not capped to today's standard. With more wells the chance of contamination rises to unity. Who will pay to clean up the aquifer? Major oil companies set up small oil production companies, when the small company gets into trouble, it just closes it and starts another which buys the assets of the earlier one, and continues business, with no accountability, no responsibility.

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