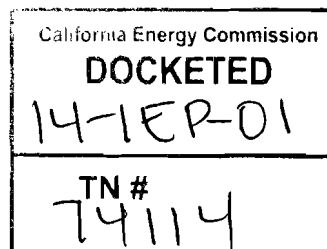


From: Jan Dietrick [jdietrick9@gmail.com]
Sent: Monday, December 08, 2014 9:14 AM
To: Energy - Public Adviser's Office
Subject: Fwd: Comments on IEPR 2014
Attachments: Comment to CEC.docx



Dear CEC,

I am a small business owner in Ventura CA. I recently learned about the EIPR report and got the impression that comment could be submitted by December 8. It is not clear how to submit comments. Please forward this to the right channel. The comments are also in the attached letter and I sent them last night to Heather Raitt.

I am impressed with the EIPR report. It is accessible for a non-expert. I am proud to be a Californian (4th generation). There is much in the CEC programs to commend, especially the support through the ARFVTP for development of commercial electric trucks. My company has been waiting for years for a suitable delivery vehicle that we can charge with a solar battery charger. That still does not appear to be on anyone's drawing board, but we are happy to see the garbage trucks, the trucks at the ports, and the UPS and FDX projects that will hopefully benefit my business by reducing mail order costs for our customers. I could name many other good impressions that I had from studying the report.

I hope you will consider the following concerns it raises for me:

1) **Crude oil by rail.** There is no detail about risk:benefit related to oil tankers coming through my town and county of Ventura. I understand from the EIR submitted to the San Luis Obispo Co Planning Commission for the expansion of the Santa Maria Refinery that the spur will handle 5 trains per week 1.4 miles long carrying Canadian crude. We do not know how to find out if the parts of the track going through our town are upgraded. The report says it relies on federal oversight of tankers and rails. The report does not assure that is being done. It recommends mainly that the state, county and city invest in training of first responders.

We want to see Phillips 66, the owner of the risky cargo, not CA taxpayers, pay for mitigating disaster. If the reason they are moving Canadian crude to CA is profitability, it is because the true social and environmental costs are not being paid by industry. If the Social Cost is a minimum of \$15/ton of CO2 equivalent, then the state needs to charge at least that much to Phillips 66 for what it brings into the state. This cost is not even being covered by the current carbon credit auctions. Please provide a deeper analysis for California communities that does not assume that this trend will continue.

The Moorpark City Council in Wednesday's VCStar expressed opposition to the permitting of the expansion of the UP spur for the Santa Maria Refinery. Dozens of cities will be doing the same. We would like to be able to depend on the CEC and other state agencies to support our communities with help to refuse this risk exposure and provide more ambitious public education and leadership toward preferred resources.

2) **Extreme oil and gas extraction methods.** There is no mention that I could see of risky methods of oil extraction used in my neighborhood in the Ventura River Valley and no reference to the Social Cost in communities in the Midwest, CO and TX in order to produce the natural gas that CA buys. It is unacceptable to not mention the hazards of extraction methods to the environment and public health. There is no acknowledgement of the strong public sentiment against fracking as reflected in part by the number of legislators who would like to see it banned. The Governor believes that fracking is necessary for some unsubstantiated reasons that your report does not touch on. In omitting this issue, you are participating in the dishonest public relations tactics of the oil industry that spends many millions to undermine the electoral and legislative processes that should have banned fracking by now.

3) **Biodiesel.** (1) The statement on page 99 that the technology is not currently economic is only in the context of the extreme subsidies given to the oil industry and the lack of federal policy to put a price on petroleum carbon. The assumptions about price competitiveness must be put into the context of the current perverse price distortion for diesel fuel. Costs, such as from ramping up emergency preparedness and responding to rail tanker derailments, explosions of mixed oil industry waste such as recently happened in Santa Paula, pipeline leaks, and the careless disposal of fracking wastewater and water contamination such as recently discovered in Oxnard, have not been internalized into the cost of conventional diesel. (2) On page 107 it says that nearly all of the renewable biodiesel is from Singapore. You mention the sustainability issue with palm oil, but to have no explicit recommendation to immediately stop supporting rainforest destruction is unacceptable. (3) Biofuel from genetically engineered soybeans grown on former rainforest land in Brazil is also unacceptable. Genetically engineered corn and soy grown for fuel have high carbon intensity which you mention but should be detailed to make sure that the full negative impacts on carbon intensity and the Social Costs are counted. Herbicides applied within the old paradigm of chemical industrial agriculture destroy the soil microbial life that sequesters carbon. Genetic modifications cross contaminate in the food chain. Now that 2,4-D resistant soy has been approved, the drift in growing regions is another Social Cost that needs to be considered.

4) **Corn-based ethanol.** The full cost of growing corn for ethanol is not mentioned. For example, there is carbon spent to produce the artificial N fertilizer and the loss of carbon-holding capacity due to destroying microbial life with genetically engineered corn that tolerates repeated applications of Roundup. It is the recommendation of multiple agencies of the UN including UNCTAD that industrial agriculture and its chemical, biotechnology paradigm must move aside and make way for biological and organic methods for food and energy security. Pesticide companies own the patents, control seed, and rake in profits. If GE biofuel crops were simply not subsidized, cost-effective non-food cellulosic and biologically produced biofuel crops could be profitable businesses that sequester carbon and use marginal land in local communities to eliminate transport costs. Local and on-farm biologically based ethanol production models should be funded.

5) **Distributed generation.** There is a blatant lack of attention on how to facilitate distributed generation compared to a disproportionate over-focus on where to site large solar power plants. The barriers to CCA's and every form of distributed, residential and business generation must be removed.

6) **Conservation programs.** When I inquired to my County Supervisor about what the county is doing to increase our part of the Edison portfolio standard toward renewable, his aide shared with me a deal made with the program called empower that provides consultation and 5.9% loans to do energy-saving home improvements. This program started in Santa Barbara County and has apparently only helped about 400 homeowners. Maybe this type of program is supported by the state in some other way, but if it is under your authority to expand this program and make sure that the counties are aggressively promoting it, we could save a lot of energy. The building and safety departments need better training. When I installed solar powered DC wiring in my renovated home to run LED lighting and equipment charging outlets, the county delayed our work for months out of ignorance about listings for the wire. We also need good statewide public education about active transportation programs why we need to get out of our cars. Another area not mentioned is the cost of refrigeration that is one of my biggest energy expenditures in my business. We have heard of technologies in Japan and we could really use help trying to source more energy-efficient condensers. We heat our production rooms for biological processes to 80°F 24/7 and cut our gas bill by 90% by installing solar hydronic heating using a loan from Safe-Bidco. That lender should reduce it's rates back to 4%.

7) **Evaluating and forecasting costs of alternative and renewable energy developments.** The report includes many observations about comparative costs and the need for incentives. . It appears to account for the effects of the EPA rules for existing power plants and other federal initiatives. However, projections consistently appear to assume that the US Congress is not going to act to put a price on carbon. For example, on page 72, Dr. Miyasato with So Coast AQMD suggested creating "market pull through policy directives or regulation so that the private commercial sector buys and uses the advanced technology vehicles being funded by government incentives."

I follow the work of Citizens Climate Lobby (CCL). I do not represent in any way CCL's position when I submit these comments . However, CCL's progress and capacity to create the political will for the US Congress to act is so clear to me that I feel disappointed that your projections lack the vision of what is possible when Congress unites to do right for the climate. You might study the current bills introduced in both houses and learn more about the standing room only participation in the recent briefings by Regional Economic Modeling Inc (REMI) about the economic impacts of a federal carbon fee and dividend climate policy. You simply cannot discount the essential role of the US Congress in not only reversing GHG emissions, but enacting what will instantly be a global price signal to harmonize with China and India.

To talk about saving the climate with California policies is a form of climate denial that becomes a barrier to a public understanding and expectation that Congress must act. The earth is in such a state of emergency that it is within the scope of work for the CEC to communicate a sense of urgency to the U.S. Congress about putting a gradually increasing, predictable price on carbon. CARB's achievements are right for California but not for the nation. A carbon tax is preferable over cap and trade and government regulations to the petroleum industry, to the utilities, to business and to Republicans that control the U.S. Congress. If you read the dozen or more conservative economic advisors to every Republican president and presidential candidate, they all advocate a

carbon tax over cap and trade or government regulation. The economic reasoning based on free market forces is sound as shown in the REMI studies released in June.

The climate bill that the U.S. Congress will enact possibly next year will involve a carbon tax. It will almost assuredly be maximally upstream at the wellhead, mine and port. It will assuredly be revenue-neutral, returning gradually increasing revenues into the economy through either a tax-swap or a dividend distribution. If the distribution is by monthly dividend you will be able to forecast an immediate shift in price competitiveness of renewable energy generation and non-petroleum fuels and the equipment they power.

Every forecast in this report will require major revision. You may not need ARFVT funding to stimulate research, demonstration and deployment of the best technology. In fact market forces may uncover and support technologies you have not thought of. Home solar EV charging will explode nationwide and the barriers to MUD chargers will disappear due to demand for BEV's and policies can focus on how to drive investment in smart charging and V2G bidirectional flow chargers. Methane capture will move ahead as a cost-saving to producers. A critical mass of hydrogen fueling stations in high density areas will much more rapidly show the market potential for FCEVs. The less that a technology or portfolio depends on fossil fuels, the more competitive the preferred resources will be. The most likely federal carbon pricing policy will be more ambitious than CA's cap and trade to push the price more quickly to \$50/ton by 2020. Alternative fuels will not need sustained government incentives and regulations to expand more than 6-fold by 2020.

One of the many benefits for CA businesses from a federal carbon tax will be to level the playing field with businesses in other states, especially farmers who are at a competitive disadvantage when trying to get credits for climate-friendly farming practices. Businesses like mine that depend on air freight to distribute products nationally will benefit from being able to forecast better how fast UPS and FDX will be motivated to transition to renewable energy.

8) **Public education and leadership.** There are references to the need to inform various stakeholders about various opportunities, however, there is nothing in the report about a strategy for ambitious public education and engagement both to support the goals of clean and cost-effective preferred sources In the context of the risks from petroleum-based energy and the fact that the transition will improve the economy and increase jobs that can't be off-shored, as well as protect the climate. If Californians were better informed about cost:benefits and about the necessity for Congress to enact a climate bill that puts a steadily rising price on carbon and the benefits to the climate, the rainforests, the biodiversity, the national security, public health, and more, the political will would find a voice over the interests of the petroleum industry and the shareholder utilities that appear to be holding back progress.

Jan Dietrick, MPH, President

Rincon-Vitova Insectaries, Inc.

Ventura, CA

805-746-5365

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Jan Dietrick
108 Orchard Dr
Ventura, CA 93001
805-643-3640 office

Learn about Citizens Climate Lobby (2.8 min video)

Read our Draft Legislative Proposal

"When the boat is sinking the first thing to do is plug the hole. To plug the hole, we need to stop putting climate forces into the atmosphere [by getting] renewables on the ground now. We need to do that by making them cost-competitive or even cheaper than fossil fuels." Danny Richter, Legislative Policy Director, Citizens Climate Lobby

Dear Heather Raitt,

I am a member of the public, a small business owner, and volunteer with Citizens Climate Lobby because I observed that the climate problem requires leadership from the U.S. Congress. I recently learned about the EIPR report and got the impression that comment could be submitted by December 8. It is not clear how to submit comments. Please forward this to the right channel.

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