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April 10, 2017

VIA ELECTRONIC MAIL

The Honorable Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: The 2017 Climate Change Scoping Plan Update: The Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target

Dear Chair Nichols:

Thank you for the opportunity to submit comments to the California Air Resources Board ("Board") regarding the Draft Scoping Plan ("Plan") for meeting California's ambitious 2030 greenhouse gas ("GHG") target. We fully support this effort and believe that clean energy technologies and applications will enable the state to meet these goals. This is a bellwether moment for California to achieve the ambitious goal of reducing GHG emissions 40% by 2030 relative to 1990 levels by setting a course that deploys a variety of enabling technologies set forth through the Plan.

Our organization, Advanced Energy Management Alliance ("AEMA")[1], is a trade association under Section 501(c)(6) of the Federal tax code whose members include national distributed energy resource, demand response, and advanced energy management service and technology providers, as well as some of the nation's largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses. These comments

[1] Additional Advanced Energy Management information can be found on the website.

represent the opinions of AEMA as an organization rather than those of any individual association members.

While the Plan is a potentially ground-breaking policy, we note that the Plan focuses almost exclusively on the implementation of Senate Bill 350 (2015), requiring that 50% of electric generation come from renewable resources and that energy efficiency savings double by 2030. AEMA believes the Plan fails, however, to take into full consideration the role that flexible distributed resources will play in allowing the state to safely and reliably achieve its energy efficiency and Renewable Portfolio Standard ("RPS") goals. Without clean, integrating technologies such as demand response, energy storage and smart grid applications, the state runs the risk of unintentionally increasing fossil-fuel and GHG-emitting resources in an effort to integrate large quantities of dynamic, non-dispatchable resources into the grid.

AEMA notes that the integration of demand response, energy storage and other distributed energy resources into the grid is already being examined at the California Public Utility Commission, the California Independent System Operator, and the Federal Energy Regulatory Commission. AEMA has made the case in New York, for example, in testimony before the relevant Senate and Assembly Energy Committees, that the use of distributed energy resources could partially make up capacity lost from the closure of baseload nuclear plants.[2] These flexible resources will not only provide grid reliability services at both the retail and wholesale levels, but also enhance consumer benefits and emissions reduction.[3] It is imperative to recognize the important contributions that these technologies can bring to supporting the achievement of the greenhouse gas emissions goals, for grid reliability and diversity of resources. Identifying and removing barriers to participation of enabling technologies at the bulk power and distribution levels should be considered as key to supporting the RPS and energy efficiency goals.

[2] AEMA Testimony before General Assembly of New York on Closure of Indian Point Power Plants I and II, February 28, 2017.

[3] While the Environmental Protection Agency's Clean Power Plan is under threat, as a result of AEMA comments to the agency, in the final plan the agency recognized demand response specifically as a tool for states to meet both emissions and reliability requirements.

AEMA firmly believes that inclusion of distributed energy resources, including demand response and advanced energy management, will not only enable additional renewable and efficiency resources to be effectively integrated into the grid, but also provide an opportunity for increased economic growth, reduced consumer cost, and more reliable operation of the grid. AEMA urges the Board to include these technologies and applications more intentionally and explicitly in the Plan.

AEMA appreciates the Board's leadership on this issue and for consideration of our recommendations. We look forward to working with the Board to enhance the Scoping Plan such that all clean energy resources are able to contribute most effectively to the goals of the state. Please do not hesitate to contact me at katherine@aem-alliance.org or 202-524-8832, to request additional information or to pose questions regarding this filing.

Respectfully submitted,

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