Proposed Rule 1304.2 – Qualified Electrical Generating Facility Fee For Use Of SOx And PM10 Offsets

AND

Proposed Rule 1304.3 – Qualified Native Load Electrical Generating Facility Fee For Use Of SOx and PM10 Offsets

Working Group Meeting #5

May 31, 2016
Proposed rules would address:

- Decommissioning of SONGS
- Dearth of PM ERCs in the market
- Potential NOx ERC shortage with RECLAIM Opt-Out
- Local and regional potential grid reliability

Latest draft proposal released in March

Comments received:

- LADWP
- Latham & Watkins

Need written stakeholder input
CEQA

Project scope parameters:

- Project(s) description (including scale)
- Number of sources affected
- Type of projects (repowering vs. greenfield)
- Site locations
Discussion

- Credit availability? (Open Market, Privately Held)
- CPUC forecasts a declining rate of demand for power in CA (2016-2026)
- Minimal CEC permitting requests
- Without Rule(s) 1304.2 and 1304.3 could essential power projects occur?
- Mandated implementation of alternatives (energy efficiency, PVs, demand response, storage, etc.) may be sufficient to delay repowering/new EGFs
Tentative Schedule

- June 8 - Deadline for written comments (please provide specific project information)
- June/July – Consultation on power project demand and NOP development
- 8/2016 – Public Workshop (including final draft rules)
- 12/2016 – Set Hearing
- 1/2017 – Public Hearing

Additional Working Group meetings as needed
Contact

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Documents:
http://www.aqmd.gov/home/regulations/rules/proposed-rules#1304.2