

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

AND

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

Working Group Meeting #5

May 31, 2016



Background

- 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>