

August 17, 2023

Ms. Rajinder Sahota
Deputy Executive Officer, Climate Change and Research
California Air Resources Board
1001 I Street
Sacramento CA 95814
[Submitted electronically](#)

Subject: Comments on the July 27, 2023 Cap-and-Trade Program Workshop

Dear Ms. Sahota:

The Los Angeles Department of Water (LADWP) appreciates the opportunity to provide comments in response to the July 27, 2023 workshop to discuss potential changes to the Cap-and-Trade Program. The workshop focused on several topics of interest to LADWP, including updating the overall Greenhouse Gas (GHG) emission allowance budget for the state, potential updates to utility and industrial allowance allocations, and use of allowance value to support the Scoping Plan targets, maximize ratepayer benefit, and better protect low-income ratepayers and priority communities.

LADWP urges the California Air Resources Board (CARB) to consider the following when deciding what potential changes to pursue for the Cap-and-Trade program:

- Sufficient time is needed to build the infrastructure to support a clean energy supply and widespread decarbonization. Infrastructure readiness will be a critical path, and new infrastructure (e.g., electricity and hydrogen) will take time to build out. When setting GHG emission reduction targets and the allowance budget for the Cap-and-Trade program, CARB should consider the commercial availability of new technology and the constraints of permitting, the availability of materials, land, and skilled labor to build new electricity generating resources and upgrade the transmission and distribution system to accommodate higher levels of renewable generation and electrification. In addition, production of renewable hydrogen fuel for use in transportation and electricity generation will require constructing a significant amount of new renewable electricity generating capacity.
- Allowance allocation to Electrical Distribution Utilities (EDUs) plays a valuable role for publicly-owned utilities (POUs) such as LADWP, that rely on the allocated allowances not only to protect our retail customers from the compliance cost of the Cap-and-Trade program (thus keeping electricity rates affordable), but also as a source of funding to increase our supply of renewable energy and implement projects that reduce GHG emissions, which are reported to CARB annually in our EDU Use of Allocated Allowance Value form. The Cap-and-Trade program is working as intended by creating an incentive to reduce GHG emissions, then invest the savings to further reduce GHG emissions.

- Affordable electricity is essential to the success of the Scoping Plan goals, which include electrification within the transportation, industrial and building sectors. For electrification to be cost effective, the cost to consumers of electricity needs to be less than the cost of the fossil fuels the electricity would be replacing. The allowance allocation to EDUs is key to maintaining an affordable electricity supply.

I. Flexibility is needed to achieve widespread emission reductions.

Achieving the Scoping Plan emission reduction goals for the entire state will require major changes and upgrades that will take time to plan and implement. Some sources may be able to reduce emissions earlier than other sources, so the Cap-and-Trade program should incentivize early emission reductions wherever possible while also providing maximum flexibility in how to achieve emission reductions in a technically feasible and cost-effective manner.

When setting the allowance budget for the Cap-and-Trade program, CARB should have reasonable expectations regarding the timeline for reducing emissions, which will depend on the maturity of commercially available clean energy technology and the build out of the electric system to serve additional load resulting from electrification. A longer glide path will allow new technologies to develop, mature and decrease in price, and provide sufficient time to transition to a clean energy economy at the least cost. With a shorter glide path, the demand for commodities may exceed the supply, and competition for the same resources will increase the cost. The LA100 Study¹ showed higher costs for LADWP to achieve 100% clean energy by 2035 versus 2045. This cost estimate did not consider LADWP having to compete for labor and resources with the other electricity suppliers in California trying to achieve the same target.

The Cap-and-Trade allowance budget should drive development of technology and provide an orderly transition to a clean energy economy with a realistic timeframe. The Cap-and-Trade program should incentivize interim opportunities to reduce emissions where the appropriate technology exists, while recognizing that infrastructure readiness and new technology for longer term emission reductions will take time to come to fruition. In addition, it should provide maximum flexibility since multiple economy sectors will be working towards decarbonization at the same time and each sector will encounter different challenges in reaching the goal.

II. Allowance allocation to Electrical Distribution Utilities is essential to support the Scoping Plan emission reduction goals while protecting electricity ratepayers and low-income customers from the costs.

For publicly owned electric utilities (POUs) such as LADWP, the allowance allocation to EDUs under the Cap-and-Trade program is essential for both ratepayer protection and supporting GHG emission reductions. Actions taken by the electric sector over the past 10 years have significantly reduced California's statewide GHG emissions, and the electric sector is working towards the Senate Bill 100 goal of supplying 100% zero-carbon electricity to customers by 2045. CARB should recognize that decarbonizing the electricity supply and upgrading infrastructure to support more renewable energy and electrification comes at a cost. A reliable electricity supply is needed to serve businesses and communities, is essential for health and

¹ LA 100% Renewable Energy Study https://www.ladwp.com/ladwp/faces/ladwp/aboutus/a-power/a-p-cleanenergyfuture/a-p-renewableenergystudy?_adf.ctrl-state=jia16ch3p_54&_afLoop=485856911360783

safety and operation of public services, and will become even more critical to support electrification of transportation, industrial operations, and commercial and residential buildings. The electric system must be robust enough to supply electricity to customers under all circumstances including extreme events such as heat waves and wildfires.

Electricity must also be affordable. Low-income customers who cannot afford solar rooftops or electric vehicles, are often the most vulnerable to increases in energy costs. Higher electricity costs will compound into increased costs for other goods and services, because as providers of other goods and service experience higher electricity costs, they will pass that cost through to their customers. These cumulative cost impacts will impact low-income customers the most.

The allowance allocation protects electricity ratepayers and especially low-income customers from the compliance cost of California's GHG emission cap-and-trade program, as well as enables POU's to avoid raising electricity rates and to invest in more renewable energy, energy efficiency, energy storage, and other programs that benefit customers and reduce GHG emissions. Any reduction in allocated allowances to POU's would result in additional costs being passed through to ratepayers including low-income customers.

Vertically-integrated POU's such as LADWP are in the best position to provide direct GHG emission reductions by investing in renewable energy and infrastructure to support electrification in other sectors of the economy. POU's operate to serve the needs of their community, and implement programs to reduce GHG emissions on behalf of their customers. One of the benefits to ratepayers of the EDU allowance allocation is funding (in the form of auction proceeds) to invest in GHG emissions reduction programs. This investment is a cyclical process that starts with reducing emissions which then lowers the compliance obligation and returns the financial benefit to the utility. This financial benefit compounds as more emissions are reduced, and is a driving force for POU's to reduce emissions on an accelerated timeline.

Having a fixed 10-year allocation of allowances provides incentive to take early action to reduce GHG emissions. In the August 2017 Final Statement of Reasons (FSOR) for the Cap-and-Trade amendments CARB staff stated,

“Staff supports utilities’ taking voluntary action to reduce GHG emissions from electricity generation. Given that EDU allowance allocation is based on cost burden, this is one of the reasons that ARB has opted to set fixed EDU allowance allocations for 2021-2030. Any changes that utilities make to reduce GHG emissions will reduce their GHG costs while not changing their allocations, thus resulting in a net benefit. This incentive is inherent to the Cap-and-Trade Program and applies in all sectors that see costs from the Program.”

Changing the fixed 10-year allocation midstream based on more recent data will punish EDUs that took early action to reduce GHG emissions. It's equivalent to the bank telling homeowners that they are signing up for a fixed-rate mortgage, but secretly giving them an adjustable-rate mortgage. Any change that reduces the POU allowance allocation will consequently reduce funding to the POU's GHG emission reduction programs.

In summary, the firm 10-year allowance allocation to EDUs is supporting the transition to a low-carbon electricity supply, as well as electrification to help California achieve its GHG emission reduction goals, while protecting ratepayers and low-income customers from the costs

associated with these efforts. The existing regulatory structure effectively provides certainty so that utilities can make long-term planning decisions and investments to accelerate changes in their electricity supply portfolio to reduce GHG emissions. POUs rely on having a firm allowance allocation to plan and budget for investments in GHG emission reduction projects, and budget their allowances for compliance which will become more important as the overall supply of allowances decreases. A firm 10-year allocation also provides stability and mitigates the risk of rate shocks. LADWP recommends the allowance allocation continue for the duration of the transition to a 100% zero-carbon electricity supply.

III. Affordable, reliable and dependable electricity is essential to support the Scoping Plan statewide emission reduction goals.

Electrification is a key measure in the Scoping plan to achieve the State's emission reduction and carbon neutrality goals. For Californians to adopt electrification, the electricity supply must be affordable, reliable, and dependable. High electricity rates will discourage the adoption of electric vehicles within the transportation sector, the largest source of GHG emissions according to the California GHG emissions inventory².

Since the electric sector plays an important role in helping the state achieve its Scoping Plan goals, State programs such as Cap-and-Trade need to support an electricity system that offers reliable power in a cost-effective manner to incentivize customers to electrify transportation, industrial operations, and commercial and residential buildings. Electrification has significant potential to reduce emissions and improve air quality in disadvantaged communities. The Cap-and-Trade program can provide that support by ensuring EDUs continue to receive adequate allowance allocations, to help pay for investments in clean electricity generating resources and infrastructure upgrades necessary to accommodate widespread electrification. The more assistance the Cap-and-Trade program can provide to the electric sector, the more support the electric sector can provide to the rest of the state.

IV. The proposed requirement for POUs to consign their allocated allowances to auction is unwarranted and would have adverse consequences that could impact retail and low-income customers.

For discussion purposes, CARB staff is revisiting the proposal that POUs should consign all of their allocated allowances to auction. LADWP does not support this proposal because forcing POUs to sell all their allocated allowances would be a significant change to the existing program that would have adverse consequences, increase costs and create unnecessary risk for POUs, as discussed below.

A. Potential Impact on Quarterly Auctions, the Secondary Market and the Climate Investments Program

POUs currently have the option to direct how many allocated allowances go into their compliance account and how many are sold (consigned to auction). This approach makes sense because POUs such as LADWP often have a direct Cap-and-Trade compliance obligation from operating electricity generating resources and importing electricity to serve their customers.

² California GHG Emission Inventory, <https://ww2.arb.ca.gov/ghg-inventory-data>

LADWP urges CARB to perform a holistic evaluation of the impacts that forced consignment of POU allowances would have on the quarterly auctions, secondary market, and funding for the California Climate Investments Program. The additional consigned allowances from POUs could result in auctions that are undersubscribed, where allowances are sold at the floor price or not all allowances offered get sold, thus resulting in less proceeds for EDUs and the California Climate Investments program. On the other hand, if the auction is oversubscribed, POUs may not be able to purchase the allowances they need for compliance.

CARB should also evaluate how the use of the secondary market could change. For example, it may be more beneficial for EDUs to purchase from the secondary market instead of CARB's quarterly auctions. This will impact auction participation, and as a result, the amount of auction revenue for the State.

B. Carbon Price Signal Already Included in the Dispatch of Electricity Generating Resources, and the Pricing of Wholesale Electricity Sales in the CAISO Markets

LADWP does not see how consignment is necessary to ensure the price of carbon is reflected in the electricity supply and wholesale electricity sales to the CAISO markets. LADWP, like many other vertically-integrated POUs, already include the cost of carbon emissions (carbon adder) in the dispatch of its generating resources as well as its wholesale energy sales. In 2016, LADWP incorporated the carbon adder into the economic dispatch of its fleet of electricity generating resources, resulting in prioritizing the use of low-emitting resources. In 2018, the carbon adder policy was formally adopted by LADWP's Board of Commissioners to demonstrate LADWP's commitment to support California's effort to reduce GHG emissions. The carbon adder serves as a price signal to reduce GHG emissions on the electricity supply side (for serving retail customer load). For wholesale electricity sales, the carbon cost is included in the price paid by wholesale buyer which provides funds so LADWP can purchase allowances to satisfy the Cap-and-Trade compliance obligation, since section 95892(d)(7)(A) of the Cap-and-Trade regulation prohibits the use of allocated allowances to meet compliance obligations for electricity sold into the CAISO markets.

C. Transparency

At the workshop, CARB staff claimed that requiring POUs to consign allowances would increase transparency. While consigning allowances does provide a record of sellers, purchasers, and a visible price or exact value for those allowances, requiring POUs to consign all their allowances would create the potential for market manipulation as a consequence of transparency. The Cap-and-Trade regulation includes safe guards to prevent market manipulation. Currently, an EDU's market position can be determined, although not precisely, with public information (i.e. allowance allocation, estimated emissions, use of allowance value). Taking away POUs' discretion for use of their allocated allowances, will expose POUs to more risk of market manipulation. CARB's push for additional transparency has not been adequately demonstrated to outweigh the risks posed by full consignment.

D. Consignment will Increase the Cost of Compliance Borne by Ratepayers.

The act of consigning allowances to auction and repurchasing for compliance is not a net-zero transaction for the following reasons:

- a. Section 95892(d)(7)(B) of the Regulation prohibits the use of allocated allowance value for the purchase of allowances, which means that money used for purchases must come from a different source (e.g., the ratepayers);
- b. Participating in the auction requires obtaining a bid guarantee, usually in the form of a letter of credit, and there is a cost to obtain this letter of credit.

The funds used to purchase allowances and the funds from the sale of allowances cannot be from the same source. The Cap-and-Trade regulation specifies how proceeds from the sale of allowances can be used, and the purchase of allowances for compliance is not an allowed use. During the auction process, utilities that buy allowances need to pay for allowances with cash first before they receive auction proceeds. In order to have cash ready for the auction, utilities will need to raise rates ahead of any purchases. This will affect a utility's credit rating or creditworthiness, increasing the cost for utilities to borrow, and further increasing rates for customers. If LADWP were required to consign all of its allocated allowances to auction, LADWP estimates a rate increase of approximately 4% per year would be needed to purchase allowances for compliance.

E. Potential Loss of Funding for Utility GHG Reduction Programs

The Cap-and-Trade program created incentive for LADWP to take early action to reduce GHG emissions within its electricity supply portfolio to reduce its Cap-and-Trade compliance obligation. As a result, LADWP is able to sell some of its allocated allowances and invest the auction proceeds to fund eligible GHG reduction programs, which include (but are not limited to) Utility Built Solar, Commercial EV Charger, Charge Up LA!, Commercial Direct Install Program, Solar Incentive Program, and Community Emission Reduction Grant Program. Many of LADWP's GHG reduction programs were created and funded exclusively by auction proceeds. Forcing LADWP to consign all of its allocated allowances would significantly increase LADWP's auction proceeds, the use of which is restricted to the purposes specified in the regulation. Such an increase in auction proceeds may overwhelm LADWP's existing GHG reduction programs. If POU's are forced to return the auction proceeds to ratepayers in a non-volumetric manner, similar to IOUs, funding for the existing GHG reduction programs would be eliminated. Returning the auction proceeds to ratepayers as a "climate dividend" or bill credit does not result in any GHG emission reductions.

V. Cap-and-Trade benefits Low-Income Customers and Disadvantaged Communities.

Within LADWP's service territory, approximately half the census tracts are considered disadvantaged communities as defined by Cal EnviroScreen, and approximately 18 percent of LADWP's residential customers receive discounted low-income and senior rates.

A. Investment Needed in Low Income Communities

A report by the American Council for an Energy-Efficient Economy (ACEEE)³ states that low-income households, renters, and households of color paid more for utilities per square foot than

³ Ariel Dreihobl; Lauren Ross, American Council for an Energy-Efficient Economy, "Lifting the High Energy Burden in America's Largest Cities", Energy Efficiency For All (April 2016)

the average household due to residing in less efficient housing. They found that by addressing home inefficiencies and raising household efficiency to the median, it would eliminate 35% of excess energy burden for low-income households and for multifamily low-income households, reducing energy burden from 7.2% to 5.9%. For African-American, Latino, and renting households, 42%, 68%, and 97% of their excess energy burdens, respectively, could be eliminated by raising household efficiency to the median.

The report concluded that current utility-led energy efficiency programs could better complement bill assistance and weatherization programs to reduce high energy burdens in low-income communities. Low-income programs should also target multifamily customers, who are often underserved by energy efficiency programs. ACEEE proposes the following strategies for improving energy efficiency in low-income communities:

- (1) Improve and expand low-income utility programs;
- (2) Collect, track, and report demographic data on program participation;
- (3) Strengthen policy levers and leverage existing programs.

As part of the LADWP Rate Action approved in March 2016, the LADWP established the Equity Metrics Data Initiative (EMDI)⁴ to track, measure, and report on how its programs are provided to all customers and residents of Los Angeles. The EMDI establishes a data-driven framework that assesses how well programs, services, and resources are distributed and used throughout the city, both geographically and demographically, to see whether any disparities exist. Data collection and analysis through the EMDI will provide important information about LADWP's services and operations, and help ensure that all customers are reached with fairness and equity. Additionally, in 2021, LADWP established the LA100 Equity Strategies⁵ initiative, led by a Steering Committee of community-based organizations, to identify and develop implementation-ready programs and strategies to achieve equity outcomes in L.A.'s clean energy transition.

Cap-and-Trade auction proceeds will and can help improve and expand low-income utility programs. To highlight, LADWP developed and adopted the Community Emission Reduction Grants Program (CERGP)⁶ in 2019. The program was intended to fund emission reduction projects that fall within the statutory and regulatory parameters of AB 32 while meeting the goals of CARB's Community Air Protection Program (AB 617) and the California Strategic Growth Council's Transformative Climate Communities (TCC) Program. Funded primarily by LADWP's Cap-and-Trade auction proceeds, LADWP's CERGP is providing up to \$20 million in grants for local projects that help reduce emissions in City of Los Angeles communities that are disproportionately burdened by pollution sources, such as refineries and truck traffic. Over the course of six years, from 2020 – 2026, the CERGP is offering grants ranging from \$100,000 to \$500,000 each to help fund innovative projects that reduce emissions in the Harbor and Northeast San Fernando Valley communities, located in Council Districts 2, 6, 7 and 15. Since the launch of the program, 19 nonprofit organizations and community-based organizations have

<https://www.energyefficiencyforall.org/resources/lifting-the-high-energy-burden-in-americas-largest-cities-how-energy/>

⁴ LADWP Equity Metrics Data Initiative. https://www.ladwp.com/ladwp/faces/wcnav_externalId/au-fr-corporateperformance-emdi

⁵ LADWP LA100 Equity Strategies. <http://www.ladwp.com/LA100ES>

⁶ LADWP Community Emission Reduction Grants Program. https://www.ladwp.com/ladwp/faces/ladwp/aboutus/a-power/a-p-cleanenergyfuture/a-p-emissionreductiongrants?_adf.ctrl-state=9784wb4to_30

been selected from two rounds of grant funding. Projects that have been selected include infrastructure projects such as electric vehicle charger installations, electric bike programs, electric vehicle community accessible transport system, and solar and cool roof systems, to name a few.

B. Benefit of Utility Programs

According to a report produced by Energy Efficiency for All (EEFA)⁷, an analysis commissioned by the Natural Resources Defense Council (NRDC) finds that “each dollar invested by the Los Angeles Department of Water and Power (LADWP) in its residential customers’ efficiency programs through 2030 would result in savings worth two dollars in benefits...and these results could be achieved by an annual LADWP investment of \$75 million through 2030...” Investing money into these programs is beneficial to LADWP’s customers, and the benefits can be increased if the money didn’t have to come from ratepayers, but from Cap-and-Trade auction proceeds.

Since 2013, LADWP’s Board of Commissioners has authorized the spending of Cap-and-Trade auction proceeds towards GHG reduction programs as specified in the regulation, including, but not limited to LADWP’s Energy Efficiency Program, Demand Response Program, Community and Utility Built Solar, and Transportation Electrification. According to CARB’s Use of Allowance Value Report⁸, data for POU’s from 2013 through 2021 shows that \$572 million has been used to purchase and build renewable energy, \$194 million has been invested in energy efficiency, and \$50 million has been invested in transportation.

C. POU Challenges that can Financially Impact Ratepayers

LADWP in partnership with the National Renewable Energy Laboratory (NREL) completed the LA100 Study⁹, which looks at the feasibility of transitioning to a 100% carbon-free energy supply for LADWP customers by 2035.

The LA100 Study found that all pathways to decarbonizing LADWP’s electric grid still require some firm and dispatchable generation resources, and NREL identified combustion turbine generators as the only technology to date that could maintain reliability and resiliency as more intermittent renewable generating resources are integrated into LADWP’s system along with the necessary transmission upgrades. Upgrading transmission lines is a lengthy process, requiring several years of conducting transmission and system studies, permitting, and construction. If the necessary transmission line upgrades are not completed by 2030, that could result in curtailment of out-of-basin renewable generation and increased reliance on LADWP’s in-basin generating resources.

⁷ Energy Efficiency for All, “Affordable Homes First: Advancing a Green New Deal for Los Angeles Renters” <https://www.energyefficiencyforall.org/resources/advancing-a-green-new-deal-for-los-angeles-renters/>

⁸ Cap-and-Trade Program Summary of 2013-2021 Electrical Distribution Utility Use of Allocated Allowance Value, California Air Resources Board, https://ww2.arb.ca.gov/sites/default/files/cap-and-trade/allowanceallocation/edu_2013to2021useofvaluereport.pdf

⁹ National Renewable Energy Laboratory, “LA100: The Los Angeles 100% Renewable Energy Study”, <https://www.nrel.gov/analysis/los-angeles-100-percent-renewable-study.html>

In response to the Los Angeles City Council motion to prepare a plan that achieves 100% carbon-free energy by January 1, 2035, LADWP’s 2022 Power Strategic Long-Term Resource Plan (SLTRP)¹⁰ recommends Case 1 with an interim goal of achieving an 80% renewable portfolio standard (RPS) by 2030. The 2022 SLTRP provides only a conceptual plan and encompasses numerous challenges related to availability of technology, implementation feasibility, system reliability, and affordability. These factors represent risks that ultimately may delay LADWP’s transition to 100% carbon free energy.

The anticipated changes to LADWP’s generation, energy storage, and transmission portfolio required to achieve the goals set forth by the City Council are unprecedented. Thousands of megawatts of additional capacity must be built per year, and this will require significant financial outlays. If these outlays are not offset by corresponding increases in retail customer rates, LADWP’s cost of borrowing money, which will be necessary to achieving the goals established by the City Council, will increase substantially. As such, LADWP’s retail customer rates are expected to increase well above the rate of inflation until the mid-2030s if the City Council’s goals are to be achieved.

Additionally, the 2022 SLTRP assumes high levels of building electrification and adoption of electric vehicles. This anticipated increase in associated revenue has had an attenuating effect on the forecasted increase in retail customer rates. If the anticipated levels of electrification fail to materialize—either because LADWP was unable to make the necessary upgrades to its distribution system, or customer adoption is lower than anticipated—forecasted retail rates could substantially increase. The 2022 SLTRP forecasts the average rate requirements for LADWP to achieve its clean energy goals. The inability to secure funding through a multi-year rate action and/or support from outside funds, such as the Inflation Reduction Act and Bipartisan Infrastructure Law, may jeopardize LADWP’s progress towards achieving its clean energy goal.

The graphs copied below from LADWP’s 2022 SLTRP show the forecast average annual increase in retail electricity rates and monthly customer bill impacts for the following scenarios:

Scenario Name	Goals
California Senate Bill 100	<ul style="list-style-type: none"> • 60% RPS by 2030 • 100% carbon-free energy (sales to ultimate customers) by 2045
Case 1	<ul style="list-style-type: none"> • 80% RPS by 2030 • City Council goal to achieve 100% carbon-free energy by 2035 • Retire or convert natural gas-fired generating units to hydrogen by 2035
Case 2	<ul style="list-style-type: none"> • 90% RPS by 2030 • City Council goal to achieve 100% carbon-free energy by 2035 • Retire or convert natural gas-fired generating units to hydrogen by 2035
Case 3	<ul style="list-style-type: none"> • 90% RPS by 2030 • City Council goal to achieve 100% carbon-free energy by 2035 • Retire or convert natural gas-fired generating units to hydrogen by 2035 • Increase behind-the-meter distributed generation and minimize the use of hydrogen

¹⁰ LADWP Strategic Long-Term Resource Plan. <https://www.ladwp.com/SLTRP>

2022 SLTRP Cases: Estimated Average Retail Electric Rate Impacts

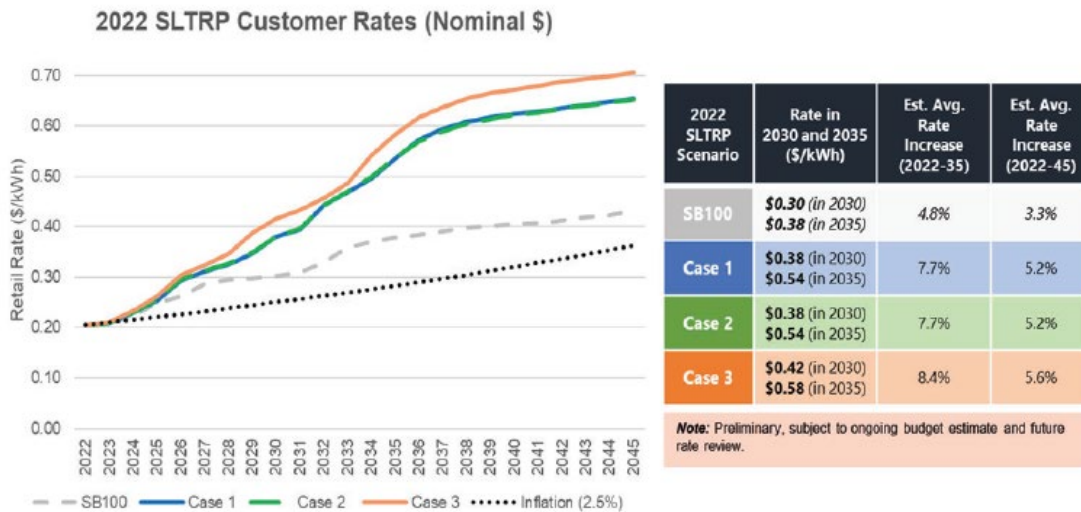


Figure 4-55. Forecasted average retail electricity rates for the SB 100 Case, Case 1, Case 2, and Case 3.

2022 SLTRP Cases: Estimated Average Retail Electric Bill Impacts (2035)

2022 SLTRP Scenario	Average Customer Bill in 2035 (Apartment)	Average Customer Bill in 2035 (Single Family)	% Increase from 2022
SB100	\$112	\$262	84%
Case 1	\$160	\$373	161%
Case 2	\$160	\$373	161%
Case 3	\$174	\$405	184%

*Note: Average monthly bill in 2022 is \$61.66 per month for apartment and \$143.86 per month for single-family home.
 Apartment represents 300 kWh per month. Single family represents 700 kWh per month.
 Preliminary, subject to ongoing budget estimate and future rate review.*

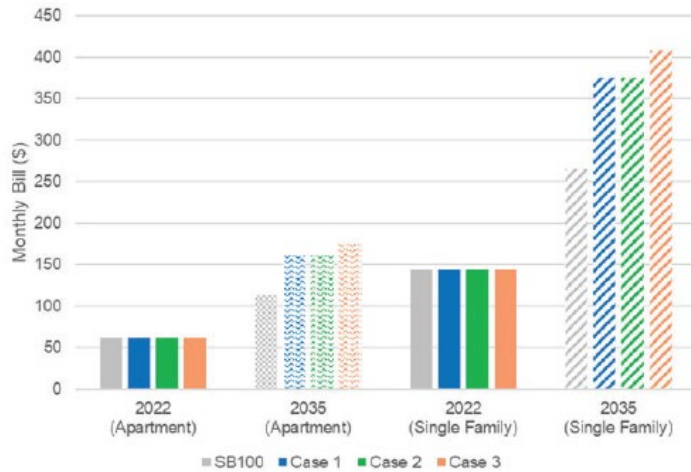


Figure 4-56. Estimated average monthly customer bill (electric) impacts for the SB 100 Case, Case 1, Case 2, and Case 3 for the year 2035. Both estimates for single-family and apartment dwellings are included.

Ms. Rajinder Sahota

Page 11

August 17, 2023

In closing, LADWP appreciates the public workshops to discuss potential changes to the Cap-and-Trade program, and the opportunity to provide comments and feedback. LADWP urges CARB to protect the firm 10-year allowance allocation to EDUs due to the long-term planning and investments to reduce GHG emissions, and all the benefits that are supported by that allocation, including keeping electricity affordable to support electrification and emission reductions within other sectors of the economy.

If you have any questions, please contact Ms. Andrea Villarin at (213) 367-0409 or Ms. Cindy Parsons at (213) 367-0636.

Sincerely,

Katherine Rubin
Director of Environmental Affairs

CP:

c: Mr. Matthew Botill, CARB
Mr. Mark Sippola, CARB
Ms. Rachel Gold, CARB
Ms. Tess McDermott, CARB
Mr. Syd Partridge, CARB
Mr. Ryan Schauland, CARB
Ms. Andrea Villarin
Ms. Cindy S. Parsons