

## **PROGRESS ON CHP IN CPUC INITIAL RECOMMENDATION ON GREENHOUSE GAS ISSUES**

On March 13th the California Public Utilities Commission approved President Peevey's Decision offering initial recommendations to the California Air Resources Board on AB 32 implementation for the electric and natural gas sectors.

AB 32 set very high goals for California to secure reduction in greenhouse gas emissions, including those from industry and power generation plants.

Fortunately, the CPUC has begun to recognize the substantial role cogeneration (or Combined Heat and Power -- CHP) has played and can play in reducing these emissions and meeting the state's goals.

There is still much to be done to safeguard existing cogeneration facilities and to promote the development of new projects, but this decision from the CPUC holds promise.

Specifically the Decision:

- Observes that CHP may be an important GHG reduction tool, acknowledging the value of CHP resources in comparison to a separate utility power plant for electricity and a separate industrial boiler for thermal power;
- Largely defers CHP regulatory issues, but for the purpose of considering measures to preclude the creation of disincentives for existing CHP operation and new CHP development; and
- Commits the Commission to further review the CHP-specific issues.

The Decision establishes an important foundation for the advocacy of CHP issues as the Commission continues its evaluation of allowance distribution issues and other AB 32 implementation issues. It's a start.

You can read the Decision by clicking here:

[http://docs.cpuc.ca.gov/PUBLISHED/FINAL\\_DECISION/80150.htm](http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/80150.htm)