

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Continue  
Implementation and Administration, and  
Consider Further Development, of California  
Renewables Portfolio Standard Program.

Rulemaking 15-02-020  
(Filed February 26, 2015)

**COMMENTS OF THE  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON THE ALJ'S RULING OF APRIL 13, 2015**

April 27, 2015

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Comments in response to the Administrative Law Judge's (ALJ's) Ruling Seeking Post-Workshop Comments issued in this proceeding on April 13, 2015 (April 13 ALJ's Ruling). These Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure, the April 13 ALJ's Ruling, and the ALJ's Ruling Regarding Service and Provision of Documents issued in this proceeding on April 22, 2015.

**I.  
INTRODUCTION**

The April 13 ALJ's Ruling seeks comments on an Energy Division Proposal on the Renewables Portfolio Standard (RPS) Calculator, which was the subject of comments filed in the predecessor RPS Rulemaking (R.) 11-05-005 in December 2014 and two days of workshops held on February 10 and 11, 2015 (February Workshop). CEERT filed Opening Comments on this proposal in December 3, 2014, and actively participated in the February Workshop.

The April 13 ALJ's Ruling advises that these earlier comments filed in R.11-05-005 should not be incorporated by reference here.<sup>1</sup> However, given that Energy Division has yet to revise its proposal in response to any comments<sup>2</sup> and CEERT's position on the Energy

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<sup>1</sup> April 13 ALJ's Ruling, at p. 4.

<sup>2</sup> *Id.*, at p. 2.

Division's Proposal expressed in its December 2014 comments remains unchanged by the February Workshop, that position continues to be relevant here and is repeated in summary as follows:

“CEERT appreciates the effort that the Energy Division has spent in continuing to revise the RPS Calculator. However, for the reasons stated above, CEERT has a central objection to the RPS Calculator being used as a planning tool, especially where no consideration has been given to applicable State policies (GHG emission reductions) and statutory amendments (AB 327), notwithstanding any revisions. CEERT, therefore, does not believe that the Staff Proposal addresses this question or concern at all and, inevitably, any responses offered now by CEERT to questions posed in the Staff Proposal will merely repeat that point.”<sup>3</sup>

In fact, if anything, the February Workshop raised additional concerns as to how the RPS Calculator will be used, especially in dictating procurement outcomes, where its use, in combination with the Investor Owned Utilities' (IOUs') highly discretionary “least cost best fit” (LCBF) evaluation, remains non-transparent and fails to confirm that resource attributes or “best fit” is considered or appropriately valued at all. This confusion is exacerbated by combining different “cost effectiveness” or cost protocols among various resource types, including both demand-side and generation resources, in an “all source” LCBF.

CEERT, therefore, urges the Commission to ensure that, however it elects to revise or use the RPS Calculator in resource planning and procurement, its metrics and application are publicly available and clearly understood by all parties. This core principal is essential to confirm that the Commission is in fact on course to meet the Governor's increased goals for greenhouse gas (GHG) emissions reduction with the anticipated increase to 50% renewables procurement by 2030 and with the remaining 50% being met, to the extent feasible, by preferred resources such as demand response and energy efficiency.

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<sup>3</sup> R.11-05-005 (RPS) CEERT Comments (12/3/14), at p. 9; see also, pp. 1-8.

## II. RESPONSES TO QUESTIONS

### **Section 7.1. “Use-Specific” Questions**

The following questions are posed for party comment by the April 13 ALJ’s Ruling for the purpose of helping to “clarify and improve the RPS Calculator from the perspective of the use to which the output (portfolios) of the RPS Calculator are put.”<sup>4</sup> With that purpose in mind, CEERT offers its responses as follows:

***Question 1.*** *What aspects of the RPS Calculator appear to work well for the intended use?*

The RPS Calculator works best in pre-modeling preparation to convert concepts such as “balanced portfolio” or “60% renewables” into input tables for specific tools, such as security constrained economic dispatch production cost models like PLEXOS. The RPS Calculator also works well as a post-modeling accounting tool to take results from tools like PLEXOS to keep track of accounting/compliance issues, such as “net short.”

***Question 2.*** *Are there any aspects of the RPS Calculator that make it unacceptable for the intended use? If so, what changes do you propose to correct the problem you identify?*

The RPS Calculator must be used with great caution when the modeling focuses on time frames well into the future and/or where the departure from current loads/resources are significant or technological change is an important component of what is being studied. Neither the basic architecture of the tool itself nor the data used to populate it is conducive to giving insights into issues such as these.

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<sup>4</sup> April 13 ALJ’s Ruling, at p. 4.

**Question 3.** *What are additional improvements that would make the RPS Calculator even better for the intended use?*

CEERT has no comment on this question at this time, but reserves the right to address the positions of other parties in Reply Comments.

**Question 4.** *Given the potential for much larger net short in the case that RPS or other policies target an increase of RPS-eligible energy to 40%-50% of retail sales, should the RPS Calculator be used to generate multiple reasonably plausible patterns of development? If not, why not?*

Yes. The RPS Calculator should absolutely be used to generate multiple scenarios with as broad a range in technological, temporal and spatial diversity as plausible. It should never be used to “pick” a particular scenario as “preferred” or “optimum.” RPS eligibility is not the key driver. Rather, carbon intensity, capacity factor, and probability distributions for variability and uncertainty in spatial and temporal dimensions are key drivers in this analysis.

**Question 5.** *If multiple scenarios should be generated, which scenarios, or types of scenarios, should be represented among the portfolio(s) available for the intended use?*

Again, it is the range of technological, spatial, and temporal diversity in the various scenarios that is critical in this modeling effort. Inputs such as specific capital cost estimates, “integration adders,” or project-specific environmental attributes are much less important in specifying particular scenarios. All of these types of variables should almost always be expressed as plausible ranges, rather than precise point estimates.

**Question 6.** *What criteria, if any, should be applied to determine if RPS portfolios need to be manually adjusted to reflect commercial viability or environmental plausibility? How should these criteria be developed? (For example, through a stakeholder process; staff analysis; formal comments; etc.)*

It is not possible to give a generic answer to this question. The criteria and methodology for issues such as “commercial viability” are case-specific.

**Question 7.** *Should environmental or land-use type “screens” be applied to remove from consideration those areas where development of significant RPS-eligible generation is undesirable or unlikely due to environmental and/or land-use concerns? If not, why not?*

This approach may be appropriate in some circumstances, but any “screens” should be exogenous to the model and specifically tailored to the question being explored. They should not be hard-wired into the internal algorithm of the spreadsheet tool.

**Question 8.** *If environmental or land-use type “screens” should be applied, what source or sources should be used to develop and vet the screens? Please provide citations to any publicly available information used in your answer. If information is used that is not publicly available, please identify the type of non-public information and its significance for your answer.*

CEERT has no comment on this question at this time, but reserves the right to address the positions of other parties in Reply Comments.

**Question 9.** *If additional information should be considered for the RPS Calculator, what information should be used? How would that information improve the RPS Calculator? Please provide citations to any publicly available information used in your answer. If information is used that is not publicly available, please identify the type of non-public information and its significance for your answer.*

CEERT has no comment on this question at this time, but reserves the right to address the positions of other parties in Reply Comments.

## **Section 7.2. General Questions**

**Question 10.** *What changes, if any, are required in the process through which RPS portfolios are developed and selected for the purpose of transmittal to CAISO? If no changes are required, why not?*

Again, these portfolios are, generally speaking, modeling inputs, not predictions or procurement outcomes. Therefore, the range, temporal distribution of energy production, and the technological and spatial diversity of the portfolios are much more important than the precise cost of individual projects or technologies.

**Question 11.** *If you propose changes, please explain the reason the changes are needed and the value of making the changes. In your explanation, consider at least:*

- *the timing of portfolio development;*
- *the opportunities for stakeholder involvement.*

CEERT has no comment on this question at this time, but reserves the right to address the positions of other parties in Reply Comments.

**Question 12.** *How frequently should inputs and assumptions used in the RPS Calculator be updated? Why?*

The process needs to be continuous, transparent, and opportunistic. The critical inputs for the highest and best intended uses are the supply curves and the probability distributions of the energy outputs with adequate spatial and temporal resolution. Fidelity and consistency of these data bases with regional modeling efforts such as the Western Electricity Coordinating Council (WECC) Transmission Expansion Planning Policy Committee (TEPPC) Common Case assumptions and study process are critical considerations. At a minimum, all data should sunset and be examined from scratch on a biennial basis.

**Question 13.** *Should the planning activities and analytic development associated with the RPS Calculator be used more directly to inform RPS procurement? If these RPS Calculator-associated elements should not be used more directly, why not?*

No. Other than as an accounting tool to keep track of issues like "net short," the RPS Calculator should play no *direct* role in RPS or other authorized renewable procurement.

**Question 14.** *If you think these elements should be used more directly, how should they be used? (For example, use concepts developed for the RPS Calculator in the least cost best fit (LCBF) process; use actual value from the RPS Calculator in the LCBF process, etc.) Why? What value would your proposed uses add to the current RPS procurement process?*

Use of the specific phrase “actual value from the RPS Calculator in the LCBF process” is indicative of the danger involved in the use of this spreadsheet tool as some kind of arbiter in the

procurement process. As indicated in the above answer, the RPS Calculator should not have a direct role in RPS or other authorized renewables procurement.

### **III. CONCLUSION**

CEERT appreciates the opportunity to offer these Opening Comments on the questions posed by the April 13 ALJ's Ruling. CEERT asks that, in any decision on the RPS Calculator, the Commission consider CEERT's responses here as well as CEERT's recommendations made on the issue of revisions to the RPS Calculator in its comments filed in R.11-05-005 (RPS) on December 3, 2014.

Respectfully submitted,

April 27, 2015

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## VERIFICATION

### (Rule 1.11)

I am the attorney for the Center for Energy Efficiency and Renewable Technologies (CEERT). Because CEERT is absent from the City and County of San Francisco, California, where I have my office, I make this verification for said party for that reason. The statements in the foregoing Comments of the Center for Energy Efficiency and Renewable Technologies on the Administrative Law Judge's Ruling of April 13, 2015, have been prepared and read by me and are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct and executed on April 27, 2015, at San Francisco, California.

Respectfully submitted,

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