

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Electricity Integrated Resource Planning
Framework and to Coordinate and Refine
Long-Term Procurement Planning
Requirements.

Rulemaking 16-02-007
(Filed February 11, 2016)

**OPENING COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON
PROPOSED REFERENCE SYSTEM PORTFOLIO AND RELATED POLICY ACTIONS**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

Dated: December 17, 2019

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Administrative Law Judge’s Ruling Seeking Comment on Proposed Reference System Portfolio and Related Policy Actions, issued November 6, 2019 (ALJ Ruling) in the Integrated Resource Planning (IRP) proceeding, Rulemaking (R.) 16-02-007. These Opening Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and ALJ Rulings on November 6 and November 19, 2019.

**I.
OVERVIEW**

CEERT believes that instead of plunging ahead into another 18 months in the IRP bubble, with significant time, energy and resources being put at risk, it is appropriate to suspend this proceeding, in favor of a series of En Banc meetings and workshops held in conjunction with the Commission, California Energy Commission (CEC), California Air Resources Board (CARB) and the California Independent System Operator (CAISO). These agencies should invite all the load-serving entities (LSEs), including the investor-owned utilities (IOUs), community choice aggregators (CCAs), direct access (DA) providers and municipal utilities to share their views on the elements of a robust, transparent and collaborative integrated planning process. These discussions should also include how to better coordinate and implement the

planning and procurement necessary to truly achieve California’s climate and clean energy targets while maintaining reliability and affordability.

II.
IT IS CRUCIAL FOR THE COMMISSION TO ADOPT THE 30 MMT GREENHOUSE GAS (GHG) EMISSION REDUCTION TARGET IMMEDIATELY

CEERT is disappointed with the failure of the Ruling to tighten the GHG target beyond the 42 (now 46) MMT requirement.¹ The 46 MMT target for 2030 is too high and inconsistent with Senate Bill (SB) 100. It seems only designed to ensure that less new renewables or large-scale storage are deemed needed. As such, the Reference System Portfolio (RSP) should be based on the 30 MMT scenario. The Commission’s modeling shows that it is the only scenario in alignment with State long-term goals and Senate Bill (SB) 100 which requires that all retail electricity must be carbon-free by 2045.

In addition, CEERT believes that the SB 100 2045 Framing Study being developed by the Commission should be used to evaluate the appropriate target for 2030.² A key takeaway from the 2045 Framing Study is that “[r]esource build under a more ambitious 2030 target (30 MMT) is more in line with 2045 scenarios.”³ Further, CEERT cautions against getting into another capacity crunch like the one that is in place now and requests that the Commission authorize additional procurement immediately.

The Commission appears to use unplanned load growth as a reason to use the higher target. This logic is completely inappropriate when setting a GHG planning target. Any unplanned for load will be met with natural gas or system power imports, which will result in GHGs being higher than the planning target. Given the probability of increasing load from electrification of transportation and buildings that is yet to be included in official forecasts, the

¹ See, e.g., ALJ Ruling, at pp. 17 and 20 and Attachment A to the Ruling, at p. 131.

² 2019-20 IRP: Preliminary Results, dated October 4, 2019, at pp. 105-123.

³ *Id.*, at p. 123.

only sensible approach is for the Commission to increase the renewables target and decrease the GHG emission reduction target.

Lastly, the model and input assumptions being used to develop the reference case are inaccurate. CEERT has consistently demonstrated that there are “disadvantages inherent in the RESOLVE model [that] warrant taking a step back and reevaluating approaches for the State and the Commission to take for system planning.”⁴ For example, actual emissions from natural gas plants are significantly higher than assumed which results in higher GHG and criteria pollutant emissions than assumed by the model.⁵

Furthermore, CEERT previously noted that CAISO had “reported significantly higher levels of curtailment of wind and solar, 40%, compared to the 4% reported by RESOLVE and 10% reported by SERVM.”⁶ The recent comment round on the proposed list of baseline resources to be used in the Procurement Track for this proceeding⁷ demonstrates that even the basic loads and resources tables used for modeling needs a quality control check. In addition, the RESOLVE model is inappropriate for IRP modeling because it does not consider key factors such as transmission upgrades, out-of-state wind, Pacific Northwest hydro, gas plant retirements and possible non-renewal of renewables portfolio standard (RPS) resources coming off of contracts.

⁴ CEERT Comments on the Administrative Law Judge’s Ruling Seeking Comments on Inputs and Assumptions for Development of the 2019-2020 Reference System Plan, filed in R.16-02-007 (IRP) on January 4, 2019, at p. 2.

⁵ See, e.g., “Thermal Efficiency of Natural Gas-Fired Generation in California: 2018 Update” CEC Staff Paper, submitted in CEC Docket Number 19-IEPR-02 on October 30, 2018.

⁶ CEERT Comments on the Administrative Law Judge’s Ruling Seeking Comments on Inputs and Assumptions for Development of the 2019-2020 Reference System Plan, filed in R.16-02-007 (IRP) on January 4, 2019, at p. 6 and CAISO 2018-2019 Transmission Planning Process Preliminary Policy and Economic Assessments Stakeholder Meeting, at p. 45.

⁷ See, e.g., R.16-02-007 2016 IRP-LTPP: SCE’s Comments on Commission Staff’s Proposed Baseline List of Resources, December 9, 2019

III.
**THE COMMISSION STAFF’S EMPHASIS ON SPECIFYING
OPTIMAL PORTFOLIOS IS MISPLACED.**

The ALJ Ruling consistently refers to Commission Staff working to develop an “optimal portfolio” to be used in each of the scenarios.⁸ CEERT believes that this emphasis is misplaced and that these prescriptive assumptions limit the ability of load-serving entities (LSEs) and other agencies, including CAISO, from exploring and analyzing a range of alternative technologies and scenarios. In light of the failure of the Commission to comply with statutory direction regarding “best fit” and a balanced renewable portfolio that maintains system reliability, the Commission should be more open to exploring new ideas and solutions, instead of narrowing the range of technologies and resources that can be analyzed and evaluated.

IV.
**THE SB 100 PLANNING PROCESS AT THE CEC AND INTERAGENCY
REVIEW IS A MORE APPROPRIATE VENUE THAN THE IRP.**

There has been a significant failure in the IRP process to substantively engage or consider what is being done by the municipal utilities, such as Los Angeles Department of Water and Power (LADWP) and Sacramento Municipal Utility District (SMUD), which are engaged in robust and comprehensive planning processes. The failure to consider and review these IRPs, along with those of the CCAs, results from the fragmented state oversight of various LSEs, and means that there is little or no understanding of how these plans will impact the plans of the IOUs. As a result, there has been no opportunity to establish a foundation for coordinated planning and procurement across LSEs.

Further, the deliberately narrow generation portfolios submitted by the Commission to the CEC and CAISO to guide long term transmission planning failed to incorporate SB 350 and SB 100. These portfolios have also delayed consideration of transmission upgrades and

⁸ See, e.g., ALJ Ruling, at pp. 7, 9 and 23.

expansions which will likely be needed to cost-effectively and reliably achieve these statutory targets. As such, CEERT believes that the SB100 Planning Process at the CEC, instead of the IRP, is the proper place to make these determinations.

**V.
CONCLUSION**

In conclusion, CEERT remains very disappointed in the recent Commission Decision Requiring Electric System Reliability Procurement for 2021-2023,⁹ which broke the promise to coastal communities and proposed to extend the operating life of the oldest, dirtiest, and least efficient power plants in the State entirely because of the Commission's failure to plan and procure clean energy. CEERT is concerned that the Commission is incapable of coordinated, timely action or the innovation needed to keep California on track to meet its climate change and clean energy goals. For these reasons, CEERT reiterates its request that the Commission suspends further action on the IRP and instead works collaboratively with other state agencies to ensure better coordination and implementation of the planning and procurement needed.

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Respectfully submitted,

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⁹ D.19-11-016, issued on November 13, 2019.