

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements. 03/24/20 04:59 PM

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

NOTICE OF EX PARTE COMMUNICATIONS BY CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

Dated: March 24, 2020

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Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, the Center for Energy Efficiency and Renewable Technologies (CEERT) hereby timely gives notice of the following ex parte communications. Rule 8.4(a) provides that "[t]he notice may address multiple ex parte communications in the same proceeding, provided the notice of each communication identified therein is timely."

The two (2) communications occurred on the same date (Thursday, March 19, 2020), and involved the same information.¹ The communications were oral and included written documents, as described in more detail below, and both took place telephonically. The written communication was a Letter to Governor Gavin Newsom, dated March 18, 2020 which was provided to the Advisors prior to the meeting and which is attached hereto as Exhibit A.

The communications were initiated by V. John White, Executive Director of CEERT. The first communication occurred telephonically at 1:30 p.m. with Sandy Goldberg, Advisor to Commissioner Rechtschaffen and lasted approximately 30 minutes. The second communication occurred telephonically at 4:00 p.m. with Leuwam Tesfai, Chief of Staff to Commissioner Shiroma and Justin Regnier, Energy and Transportation Advisor to Commissioner Shiroma and

¹ Initially there was supposed to be three (3) meetings on March 19, 2020, but the meeting with Maria Sotero, Energy Advisor to Commissioner Guzman-Aceves was cancelled by Ms. Sotero.

lasted approximately 30 minutes. CEERT timely filed and served a Three Working Days' Notice for these communications on March 13, 2020. Present at both meetings on behalf of CEERT were V. John White, Executive Director of CEERT; James H. Caldwell, Jr., Senior Consultant for CEERT; Megan M. Myers, Attorney for CEERT; and Carleigh Osen, Policy Analyst for CEERT.

Ms. Myers began each meeting by discussing CEERT's concerns with the Proposed Decision on the 2019-2020 Electric Resource Portfolios to Inform Integrated Resource Plans and Transmission Planning (Proposed Decision) which was issued in the integrated resource plan (IRP) proceeding, Rulemaking (R.) 16-02-007. Ms. Myers expressed that CEERT's concerns are with the Proposed Decision's adoption of a 46 million metric tonne (MMT)/year 2030 greenhouse gas (GHG) emission baseline. She stated that this baseline is too high and that the 30 MMT/year 2030 GHG emission baseline should be adopted to meet State and Senate Bill (SB) 100 goals. Ms. Myers also stated that the Proposed Decision is based on inaccurate data analytics and the Proposed Decision cements natural gas generation into the procurement plan and results in no GHG emission reductions from the electricity sector through 2030. Lastly, she pointed out that numerous parties felt strongly enough about this to send a Joint Letter to Governor Gavin Newsom on March 18, 2020 which is attached hereto as Exhibit A.

Mr. White stated that RESOLVE misstates the actual emissions on the system today and it does not accurately track actual emissions because RESOLVE assumes that gas plants are running optimally and efficiently which is not the case. 51 MMT are the actual emissions on the system today. Mr. White stated that the California Independent System Operator (CAISO) stated that they are going to need more transmission than what this plan is going to produce. Mr. White continued and said that he is troubled by the Proposed Decision's prohibition on load-serving

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entities (LSEs) studying for anything other than what is in the Proposed Decision's Reference System Plan (RSP). Mr. White noted that Southern California Edison (SCE) also suggests that the target is too high, although they suggest a different number than 30.

Mr. White asked that the Proposed Decision be delayed while these issues are being sorted out. He also asked for an All Party Meeting so that all parties can address these issues. There are concerns that adopting this framework will lead to two (2) more years that is not going to lead anywhere.

Mr. White also stated that in the outer years of this model there is an increase in GHG emissions and criteria pollutants. SCE and CAISO are both suggesting that there need to be deeper reductions. It is a practical decision to have a more aggressive target because we can and because we need to do so.

Dated: March 24, 2020

Respectfully submitted,

/s/ MEGAN M. MYERS Megan M. Myers Attorney Center for Energy Efficiency and Renewable Technologies 122 – 28th Avenue San Francisco, CA 94121 Telephone: (415) 994-1616 E-mail: meganmmyers@yahoo.com

EXHIBIT A





CALIFORNIA











Protecting nature. Preserving life."







March 18, 2020

Honorable Gavin Newsom c/o Alice Reynolds 1303 10th Street, Suite 1173 Sacramento, CA 95814

Via electronic email Alice.reynolds@gov.ca.gov

Dear Gov. Newsom,

We appreciate your leadership as you govern the state through a period of sustained and unprecedented events – the Corona virus being just the latest in a series of challenges facing all of us. We believe that the climate crisis must also continue to be addressed with urgency, given its probable long-term impacts on the state and the planet. To that end, as a group of industry, environmental, and justice organizations with decades of experience in California energy policy, we are writing you today to voice our alarm and seek your help. The California Public Utilities

Commission is poised to reverse course on state climate policy with its recently announced Proposed Decision in the Integrated Resource Planning (IRP) proceeding. The greenhouse gas emissions (GHG) target used in the IRP to determine new investment in our electric system will fail to put the State on a trajectory to achieve its climate goals.

In selecting a GHG reduction target for its modeling, the Commission reviewed the range established by the California Air Resources Board for the electricity sector, pursuant to SB 350 (DeLeon, 2015). Unfortunately, the Commission selected a 46 million metric ton (MMT) target for the IRP. That target predates SB 100 (DeLeon, 2018), which requires the state to decarbonize its grid by 2045. Furthermore, the Commission selected the 46 MMT target based on narrow resource modeling that underestimates state GHG emissions and fails to consider the full breadth of energy resources available to California.

This is not the time to delay – and we know you are aware of the importance of achieving climate change goals as a key strategy to reduce the risk of wildfires that have threatened the state's economy and the well-being of its citizens. As parties to the Commission's proceeding, we will file comments urging the Commission to correct this error and adopt the 30 million metric ton (MMT) target to inform its planning for 2030, but such advocacy alone may not compel the Commission to reconsider this order – which is why we are contacting you, directly.

The Commission must select the 30MMT planning target, which was modeled during the planning process. Pursuing the 30MMT target is the only way to ensure that the State identifies and supports development of the appropriate clean generation resources required to meet our climate and grid reliability goals. The 30MMT target will ensure California proceeds with timely and sustained procurement decisions now, thus avoiding a future of expensive and ill-planned 'catch-up' decisions; the consequences of which would inevitably fall on ratepayers. As Governor, you can recognize that California has undergone a significant shift in its energy system in the last few years. The California energy market needs a clear and decisive signal in this Decision; it is critical to encourage investment and to stabilize the energy market. Such stability will decrease any perceived investment risk and lower costs to customers; the 30 MMT target helps ensure that the electric grid will be affordable, clean and reliable on a timelier basis than what the Commission has proposed.

While the Commission will re-evaluate the GHG target as part of its IRP process in 2021-2022, California cannot afford a two-year delay in charting the right course. Indeed, based on its own modeling results, the Commission's currently-recommended 46 MMT will *increase* state emissions between 2022-2030, ignoring the fact that California's policies - and the climate crisis, itself - require a quickening pace to decarbonization. The California Energy Commission has identified the electricity sector as the lowest cost driver of GHG reductions in the economy and the linchpin for GHG reduction across other sectors, namely housing and transportation.

California will not achieve its statewide 2030 carbon reduction goals if the electric sector does not decarbonize further, and faster – goals we risk missing under the 46MMT target.

Given the urgency of the global climate crisis and California's prominent place as a climate leader, the Commission is obligated to make the right decisions and investments now to keep us on course to reduce GHG emissions, accelerate and further develop the clean energy market, and restore cleaner air and a healthier environment for all. Your leadership is critical; even with the many other high profile energy matters on your desk, California's role as a clean energy leader will be tarnished if we do not get this right. We ask you to convey this message to the

Commission and urge them to correct the Proposed Decision consistent with current law and targets for GHG emission reductions.

Thank you for your consideration, and for your ongoing commitment to ensuring a safe California and a clean and reliable electric grid. We stand ready to help in any way - you may rely on us.

Sincerely,

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<u>/s/ Jose G. Torres</u> Jose G. Torres Energy Equity Program Manager California Environmental Justice Alliance Telephone: (323) 826-9971 ext. 104 E-mail: jose@caleja.org

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CC (Via E-mail): Commission President Marybel Batjer Commissioner Liane Randolph Commissioner Martha Guzman-Aceves Commissioner Clifford Rechtschaffen Commissioner Genevieve Shiroma Commission Deputy Executive Director Saul Gomez

CC: Electronic Service: R.16-02-007 (Integrated Resource Planning (IRP) Service List)