



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
Related Procurement Processes.

Rulemaking 20-05-003
(Filed May 7, 2020)

**OPENING COMMENTS OF CENTER FOR ENERGY EFFICIENCY AND
RENEWABLE TECHNOLOGIES ON ORDER INSTITUTING RULEMAKING**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

June 15, 2020

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**OPENING COMMENTS OF CENTER FOR ENERGY EFFICIENCY AND
RENEWABLE TECHNOLOGIES ON ORDER INSTITUTING RULEMAKING**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submit these Opening Comments on Order Instituting Rulemaking (“R.”) 20-05-003 filed on May 7, 2020, with a “date of issuance” of May 14, 2020. These Opening Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and Ordering Paragraph 5 of R.20-05-003 (OIR).¹

**I.
OVERVIEW**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working toward building a new energy economy, including cutting contributions to global warming and reducing dependence on fossil fuels. CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future.

¹ R.20-05-003, Ordering Paragraph 5 established the due date for these Comments as being “not later than 30 days after the issuance of this order.” (R.20-05-003, at p. 21.) The “Date of Issuance” of R.20-05-003 was May 14, 2020, making the 30th day thereafter June 13, 2020 which is a Saturday which makes the due date June 15, 2020.

CEERT was a party to and actively participated in the most recent integrated resource planning (IRP) rulemaking (R.16-02-007). CEERT has also been a party to numerous other Commission proceedings, including, but not limited to, the Resource Adequacy rulemakings (R.17-09-020 and R.19-11-009), Demand Response (DR) rulemaking (R.13-09-011), the Long-Term Procurement Plan (LTPP) rulemakings (i.e., R.12-03-014; R.13-12-010), and Southern California Edison's Application for Approval of its 2018 Local Capacity Requirement Request for Proposal (A.19-05-016).

**II.
THE COMMISSION SHOULD DIRECT THE CALIFORNIA INDEPENDENT SYSTEM
OPERATOR (CAISO) TO ANALYZE ALL EMISSION TARGETS THOROUGHLY TO
SET CALIFORNIA ON TRACK TO MEET ITS CLIMATE GOALS**

CEERT appreciates the opportunity to comment on the preliminary scope of R.20-05-003. The Preliminary Scoping Memo correctly acknowledges that since the opening of the predecessor proceeding R.16-02-007:

“[Senate Bill (SB)] 100 (DeLeón, 2018) has since been enacted, setting additional environmental goals for the electricity sector. As a successor docket to R.16-02-007, this proceeding will address ongoing oversight of the IRP planning process and the procurement necessary to achieve the goals set by the Legislature in SB 350 and SB 100, as well as by the Commission in R.16-02-007.”²

CEERT wishes to emphasize the need for certain revisions to the Preliminary Scoping Memo in order for this proceeding to actually yield meaningful progress towards meeting the legislative goals mandated by SB 350 and SB 100.

First, the outcome of the last integrated resource plan (IRP) cycle failed to set California on track to meet California's climate goals. While the Commission recommended a 38 million metric ton (MMT) greenhouse gas emission (GHG) target along with its originally proposed 46

² R.20-05-003, at p. 2.

MMT target, D.20-03-028 failed to instruct the CAISO to study the lower target.³ In addition to the 46 MMT target, the 38 MMT target and a 30 MMT target must be studied in order to fully evaluate the best path forward. The lack of direction from the Commission to the CAISO on this issue was a major oversight in last cycle's decision; the effect of which will delay crucial investments in zero carbon resources, such as long-duration storage.

Long duration storage technologies, including pumped hydro, compressed air, thermal storage, and renewable hydrogen, are key in overcoming wind and solar power's variability and enabling renewable resources to meet the needs of the electric grid around the clock and throughout the year. While batteries have the ability to meet some of the grid's more short-term needs, greater storage diversity is essential in ensuring the reliability of the grid during extended periods of low renewable generation, such as during multi-day storms or cloud cover. Furthermore, because of its scale, bulk energy storage is a uniquely valuable system resource that can absorb excess power during overgeneration conditions and then supply that power during times of peak load. Large-scale energy storage projects are fast-starting, quick-ramping, high-capacity that can help balance peak loads, integrate larger amounts of clean energy, and enable preferred resources to contribute substantially to grid reliability and flexibility needs.

However, the Commission's adoption of the 46 MMT GHG emission target creates unfounded optimism that California can meet its 2030 and 2045 climate targets without significant near-term investment in new resources, including long-duration storage. Furthermore, the Commission's lack of direction to the CAISO to study the lower GHG targets ultimately delays investment and interconnection of these crucial technologies. Closer coordination between the IRP process and CAISO's transmission planning process (TPP) is essential to the successful procurement of reliable, zero carbon resources and ensuring that California's clean

³ D.20-03-028, at pp. 68-76

energy transition is as cost-effective as possible. Going forward, CEERT encourages the Commission to take a more holistic analytical approach and equally weigh all options to ensure that California is truly on the best track to meet its climate goals. In this proceeding, the Commission should instruct the CAISO to study the 38 MMT and 30 MMT targets to effectively weigh the costs and benefits of various resource portfolios and encourage investment in vital technologies such as long-duration storage.

**III.
THE COMMISSION SHOULD FACILITATE CLOSER COORDINATION BETWEEN
THE RESOURCE ADEQUACY (RA) AND IRP PROCEEDINGS**

A more holistic analytical approach also includes facilitating a closer alignment between the IRP process and RA issues. Currently, the RA design in California does not accurately reflect the value of flexible, renewable energy resources to the system. Rather, the outdated RA construct makes it more difficult for these resources to get selected into the capacity portfolio. Furthermore, the disconnect between IRP and RA creates a planning process that overall does not accurately reflect the market signals that are driving the change towards a more renewable, flexible grid. With the expiration of once-through-cooling (OTC) plant extensions overlapping with the retirement of Diablo Canyon in the coming years, the Commission must improve its planning process to facilitate procurement of reliable, clean resources, rather than that planning process resulting in no procurement of new resources, increasing California's reliance on natural gas, and acting as a huge barrier to California meeting its climate goals.

IV.

ENERGY DIVISION STAFF SHOULD EVALUATE INNOVATIVE SOLUTIONS FROM OTHER ENTITIES BEYOND THE TRADITIONAL NETWORK OF AGENCIES

While the Preliminary Scoping Memo includes interagency considerations,⁴ CEERT strongly encourages the Commission staff to broaden interagency collaboration beyond the California Energy Commission (CEC), the CAISO, the California Air Resources Board (CARB), and the State Water Resources Control Board (Water Board). While effective partnership between these agencies is important, especially in planning for SB 100 and reviewing the IRP's of publicly owned utilities, other entities are undertaking significant innovation that could be very useful to the Commission's planning efforts. An example of such groundbreaking innovation is that of the Los Angeles Department of Water and Power (LADWP). With support and consulting from the National Renewable Energy Laboratories (NREL), LADWP is undertaking a more ambitious and comprehensive approach to meeting climate, clean energy, and reliability needs than the assumptions and analytical tools relied upon by the Commission, its staff, and its private consultants. CEERT recommends that the Preliminary Scoping Memo be revised to encourage Commission staff to look beyond the traditional agency network for more innovative solutions.

V.

THE COMMISSION SHOULD HOLD AN EN BANC HEARING TO ALLOW EXCHANGE OF IDEAS BEFORE UNDERGOING THIS NEXT IRP CYCLE

CEERT appreciates the Preliminary Scoping Memo "considering procurement issues associated with long lead-time resources, such as long-duration storage, offshore wind, and out-of-state renewables, and other resources that add portfolio diversity, such as geothermal" as well as "new resource types, such as hybrid resources or hybrid-fueled resources"⁵ In interest of

⁴ R.20-05-003, at pp. 14-16.

⁵ R.20-05-003, at p. 10.

ensuring that adequate consideration is given to these technologies, CEERT strongly suggests that before embarking on this IRP cycle, the Commission holds an en banc hearing with load serving entities (LSEs), interested parties, and other agencies with responsibilities for meeting statutory climate and clean energy goals. This hearing would allow these entities to share directly with the Commissioners their observations, experience, and suggestions for making the next iteration of the IRP more successful and likely to be implemented. California must get back on track to meet its GHG reduction and clean energy targets. Encouraging the development of a diverse resource portfolio is vital to the success of meeting those goals quickly and on time.

**VI.
THE COMMISSION MUST ACKNOWLEDGE THE CONTEXT SURROUNDING THE
OPENING OF R.20-05-003**

The Preliminary Scoping Memo fails to acknowledge the extraordinarily different world we are living in currently with the onset of the COVID-19 pandemic. The impacts of this public health crisis include a shattered economy, massive unemployment, lost state and local revenue, and tremendous uncertainty. The Commission's decisions to delay procurement and new investment, which are needed to meet reliability, climate, and clean energy goals, could slow California's economic recovery. Additionally, poor air quality has shown a direct correlation to increased risk for complications from COVID-19⁶, further increasing the significance of the results of this IRP cycle and emphasizing the need for reliable, clean replacements to highly polluting resources.

As such, CEERT strongly encourages the Commission to revise the Preliminary Scoping Memo to recognize that this successor proceeding will be taking place under vastly different

⁶ Exposure to air pollution and COVID-19 mortality in the United States. Xiao Wu, Rachel C. Nethery, Benjamin M. Sabath, Danielle Braun, Francesca Dominici. medRxiv 2020.04.05.20054502; doi: <https://doi.org/10.1101/2020.04.05.20054502>

circumstances than the last IRP proceeding. Furthermore, the Commission should analyze how COVID-19 will impact the IRP and procurement processes going forward, both in interest of justly and equitably meeting California's climate policy goals as well as easing barriers to economic recovery.

**VII.
REQUEST FOR PARTY STATUS**

Pursuant to Rule 1.4(a)(2)) of the Commission's Rules of Practice and Procedure and Section 8 of R.20-05-003, by filing these responsive comments, CEERT requests confirmation of party status, as provided in R.20-05-003, with the following individual to be listed as the appearance for CEERT on the Party Service List for R.20-05-003:

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***FOR: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE
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**VIII.
CONCLUSION**

CEERT appreciates this opportunity to provide these Opening Comments on the preliminary scope of R.20-05-003 (OIR). We urge the Commission to amend the preliminary scope for this OIR as recommended herein.

Respectfully submitted,

June 15, 2020

/s/ MEGAN M. MYERS
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