

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)

**REPLY COMMENTS OF CENTER FOR ENERGY EFFICIENCY AND  
RENEWABLE TECHNOLOGIES ON ADMINISTRATIVE LAW JUDGE'S RULING  
SCHEDULING PREHEARING CONFERENCE AND SEEKING COMMENTS ON  
PROPOSED PROCEEDING SCHEDULE**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

July 24, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION  
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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submit these Reply Comments on Administrative Law Judge’s Ruling Scheduling Prehearing Conference and Seeking Comments on Proposed Proceeding Schedule, issued in (R.) 20-05-003 (Integrated Resource Plan (IRP), on June 15, 2020 (June 15 ALJ Ruling). These Reply Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and the instructions contained in the June 15 ALJ Ruling).

The June 15 ALJ Ruling invited parties to submit Opening Comments and Reply Comments on the Proposed Integrated Resource Plan Proceeding Schedule (Proposed Schedule) attached to the June 15 ALJ Ruling.<sup>1</sup> In addition, parties were invited to respond “to any other topics discussed at the July 14, 2020 prehearing conference.”<sup>2</sup> Please see CEERT’s Comments below on the June 15 ALJ Ruling and comments made at the July 14, 2020 prehearing conference.

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<sup>1</sup> June 15 ALJ Ruling, Attachment A.

<sup>2</sup> June 15 ALJ Ruling, at p. 6.

**I.**  
**THE COMMISSION SHOULD ADOPT THE THREE-YEAR TIME FRAME IDENTIFIED IN THE PROPOSED SCHEDULE IF IT LEADS TO THE COMMISSION CONDUCTING BETTER, LONG-TERM LOCATIONAL PLANNING ANALYSIS**

During the July 14, 2020 Prehearing Conference, Assigned ALJ Fitch indicated that the Commission has a central dilemma on how to “organize and tackle” the IRP proceeding.<sup>3</sup> The first path forward would be for the Commission to evaluate load serving entities’ (LSEs’) individual IRPs in a robust way.<sup>4</sup> The second path (Path Two) forward would be “for the Commission to conduct better long-term locational planning analysis, followed by giving planning and procurement direction to LSEs in the IRP proceeding.”<sup>5</sup> Pursuant to ALJ Fitch, Path Two would include analysis of individual gas plant retirements that will be necessary by 2030, specific analysis of long-term local reliability needs in local capacity areas, replacement power for Diablo Canyon, a designation of the need to procure specific long-duration storage and a designation of the need for out-of-state wind and/or off-shore winds in particular geographic areas.<sup>6</sup>

During the Prehearing Conference, CEERT strongly supported the second path and stressed its support for analysis of individual gas plant retirements, long-term local reliability needs, replacement power for Diablo Canyon and procurement evaluated in this proceeding regarding preferred resources.<sup>7</sup>

In these Reply Comments, CEERT reiterates support for Path Two as identified by ALJ Fitch. In its Opening Comments on the OIR, CEERT recommended that the Commission “recognize that this successor proceeding will take place under vastly different circumstances

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<sup>3</sup> Reporter’s Transcript of the July 24, 2020 Prehearing Conference (RT), at p. 18, line 21.

<sup>4</sup> RT, at p. 18, line 23 to p. 19, line 6.

<sup>5</sup> *Id.*, at p. 19, lines 20-24.

<sup>6</sup> *Id.*, at p. 19, line 28 to p. 20, line 23.

<sup>7</sup> *Id.*, at p. 71, lines 11-19.

than the last IRP proceeding.”<sup>8</sup> Path Two encompasses the concerns that CEERT has had with the IRP process to date, which include but are not limited to concerns about whether the current IRP modeling would put California on the right track towards meeting its climate policy goals and the need for the Commission to prioritize the transition away from fossil fuel generation in this IRP cycle.<sup>9</sup>

Furthermore, CEERT agrees with the numerous parties who made statements at the July 14 Prehearing Conference in support of Path Two. CEERT supports the California Environmental Justice Alliance (CEJA) who supported Path Two and noted that the Commission had not “been proactive in considering how to meet greenhouse gas goals, air quality minimization, [and] achieve ratepayer objectives.”<sup>10</sup> Similarly, CEERT agrees with the Sierra Club that there is a “critical unmet need for improving locational planning and particularly planning for gas plant retirements.”<sup>11</sup>

As such, CEERT supports the three-year Proposed Schedule contained in the June 15 Ruling if it means that the Commission will adopt Path Two, or something substantially similar. The IRP cannot continue with business as usual and requires full overhaul of the current IRP that CEERT believes is properly identified by Path Two.

## **II. CEERT CONTINUES TO ADVOCATE FOR INTER-AGENCY COORDINATION REGARDING THE IRP PROCESS**

During the July 14, 2020 Prehearing Conference, CEERT emphasized its support for a Joint Agency En Banc, as was previously recommended in CEERT’s Opening and Reply

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<sup>8</sup> CEERT Opening Comments on the OIR, at pp. 6-7.

<sup>9</sup> CEERT Reply Comments on the OIR, at pp. 1-5.

<sup>10</sup> RT, at p. 39, lines 1-4.

<sup>11</sup> RT, at p. 66, lines 23-26.

Comments on the Order Instituting Rulemaking (OIR).<sup>12</sup> CEERT recommended that this En Banc include stakeholder participation and that it be scheduled into the Scoping Memo for this proceeding.<sup>13</sup> This type of inter-agency coordination is particularly important in light of the Letter and Recommendations submitted by the Alliance for a Clean Economy (ACE) submitted to Governor Gavin Newsom, the Honorable Toni G. Atkins and the Honorable Anthony Rendon on July 16, 2020 and which is attached hereto as Attachment A. This Letter and Recommendations highlight the importance of inter-agency coordination to encourage clean energy jobs and investment.

### **III. CONCLUSION**

CEERT appreciates this opportunity to provide these Comments and reiterates its support for Path Two as identified by ALJ Fitch at the Prehearing Conference.

Respectfully submitted,

July 24, 2020

/s/ MEGAN M. MYERS

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<sup>12</sup> RT, at p. 71, line 20 to p. 72, line 7 and CEERT Opening Comments on the OIR, at pp. 5-6 and CEERT Reply Comments on the OIR, at pp. 9-10.

<sup>13</sup> *Id.*, at p. 72, lines 1-7.

# **ATTACHMENT A**

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Via Email

Governor Gavin Newsom  
& Members of the Governor's Task Force on Business and Jobs Recovery  
State Capitol, First Floor Sacramento, CA 95814

The Honorable Toni G. Atkins, Senate President Pro  
Tempore California State Senate State Capitol, Room  
205 Sacramento, CA 95814

The Honorable Anthony Rendon,  
Speaker California State Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

**Re: California Clean Energy & Transportation Recommendations for a  
Sustainable, Resilient, and Inclusive Economic Recovery**

Dear Governor Newsom, Senate Pro Tempore Atkins, Speaker Rendon, &  
Members of the Task Force on Business and Jobs Recovery:

We appreciate your extraordinary efforts to restore California's public and economic health, and to reaffirm your commitment to its climate, clean energy and clean transportation goals. By making clean energy and transportation cornerstones of California's economic recovery, the Alliance for a Clean Economy (ACE)<sup>1</sup> believes the State can restore over one hundred thousand clean

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<sup>1</sup> ACE is a coalition of the leading clean energy associations, clean energy companies, and non-governmental organizations (NGOs), including those whose logos are shown above. Together, we represent dozens of clean energy companies and hundreds of thousands of Californians

energy<sup>2</sup> and transportation jobs and over one billion dollars in economic investment lost as a result of the pandemic. Building on a key element of California's successful recovery from the Great Recession, we recommend formation of a Clean Energy Action Team to expedite clean energy deployment. Attached you will find recommendations focused on achieving significant job growth and investment now, from 2021-2022, and for 2023 and beyond. We request a meeting with you and your leadership team to discuss these recommendations.

Since our June 4th letter to you, California's clean energy job losses remain grave, at nearly 90,000.<sup>3</sup> The State has shed more clean energy jobs than any other, losing over 16% of its workforce to date. Regions across the State have suffered significantly since March, with Los Angeles County losing more total jobs (15,138) and Kern County losing a larger share of its clean energy workforce (29.7%) than any other county nationally. With clean energy employment comprising 3% of statewide employment and 30% of statewide construction jobs at the end of 2019,<sup>4</sup> a renewed and accelerated commitment to achieving California's clean energy objectives is essential. By taking action now, we can restore the vibrancy of this core California sector; jumpstart our economy; better protect our public health, climate and environment; and build a more resilient, equitable and robust future for all.

During the 2007-2009 Great Recession, California unlocked tens of billions of dollars in investment and created hundreds of thousands of job-years<sup>5</sup> through a coordinated, inter-agency focus on deploying "shovel-ready" clean energy projects. At that time, when clean energy technologies were considered unproven and risky, federal funding was required to assure private investors. Today, clean energy is widely recognized as a very attractive, "low risk, steady yield"<sup>6</sup> investment. Billions of dollars of private equity and credit are available for clean energy

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through NGO membership. California's clean energy sectors are complementary; by growing and working together, they offer a clean, reliable, equitable, resilient and cost-effective future for California.

<sup>2</sup> Throughout this letter, our references to "clean energy" are intended to include the broad range of distributed energy resources, efficiency, utility-scale renewables and storage, smart grid and clean transportation sectors that ACE represents.

<sup>3</sup> This and all figures in this paragraph, except where noted otherwise, are derived from BW Research Partnership, "Clean Energy Clean Energy Employment Initial Impacts from the COVID-19 Economic Crisis, June 2020" (July 8, 2020)(Memorandum to E2, E4TheFuture, and ACORE), available at <https://e2.org/reports/clean-jobs-covid-economic-crisis-june-2020/>.

<sup>4</sup> E2, "Clean Jobs California" (June 2020), available at <https://e2.org/reports/clean-jobs-california-2020/>.

<sup>5</sup> See, e.g., Office of the President, "A Retrospective Assessment of Clean Energy Investments in the Recovery Act," (Feb. 2016), available at [https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160225\\_cea\\_final\\_clean\\_energy\\_report.pdf](https://obamawhitehouse.archives.gov/sites/default/files/page/files/20160225_cea_final_clean_energy_report.pdf); Black & Kemkar, "Obama Administration Efforts to Expand Domestic Energy Production: A View from the Public Lands" (Feb. 2012).

<sup>6</sup> Gold, "Wind, Solar Farms Are Seen as Havens in Coronavirus Storm," Wall St. Journal (Mar. 31, 2020), available at <https://www.wsj.com/articles/wind-solar-farms-are-seen-as-havens-in-coronavirus-storm-11585656003>.



deployment, if California again demonstrates its commitment to the clean energy requirements that sustain the market.

California's loss of clean energy jobs and investment will not solve itself; the state must take action, and soon, to stem further losses. Harnessing clean energy's potential as an engine for economic recovery will require marshaling the coordinated capabilities of California's agencies, and focusing them on actions to spur increased employment and investment now. A new, inter-agency focus is needed to remove bureaucratic barriers and streamline regulatory approvals. Coordination across California's clean energy-related agencies would also enable the state to make the most effective use of federal stimulus and bond funds for clean energy deployment. We have developed a set of recommendations to inform this inter-agency effort, and request the opportunity to meet with your recovery team leaders to discuss them.

California can use clean energy as a lever for economic recovery now, and for sustained prosperity into the future, if it takes the clear, concrete actions included in our attached recommendations. Our recommendations would not require major new expenditures or legislation, with few exceptions; instead, they focus on better utilization of existing authorities and budgets, including re-establishing the inter-agency coordination workgroup that helped California successfully recover from the Great Recession and sparked a boom in California's clean energy industry. We stand ready to support development of a Clean Economy Action Plan by the inter-agency workgroup, and have specific recommendations to help ensure such a plan would deliver success for California's economy and its environment, now and for decades to come.

Thank you for considering our meeting request, and our recommendations for a coordinated approach to accelerating clean energy deployment. To coordinate scheduling the meeting, please direct communications to V. John White, CEERT, at [vjw@ceert.org](mailto:vjw@ceert.org), and to Arthur Haubenstock, Gridworks, at [ahaubenstock@gridworks.org](mailto:ahaubenstock@gridworks.org). We are confident our recommendations would restore jobs and help California recover from the current crises, resume its climate and clean energy leadership, and sustain long-term economic, equity and environmental benefits.

The Alliance for a Clean Economy members endorsing this letter are:

1. American Wind Energy Association - California (AWEA - California)
2. California Efficiency + Demand Management Council (CEDMC)
3. California Solar and Storage Association (CALSSA)
4. Center for Energy Efficiency and Renewable Technologies (CEERT)
5. California Energy Storage Alliance (CESA)
6. CRUISE
7. CYRQ Energy
8. Enel North America, Inc.
9. Environmental Defense Fund (EDF)
10. Geothermal Resources Council (GRC)
11. Golden State Clean Energy
12. Long Duration Energy Storage Association of California (LDESAC)
13. Large-scale Solar Association (LSA)
14. The Nature Conservancy
15. Silicon Valley Leadership Group
16. Solar Energy Industries Association (SEIA)
17. Sunrun
18. Vote Solar

# The Alliance for a Clean Economy

## Clean Energy Economic Stimulus Recommendations

Immediate Impact Actions > Jobs & Investment Through December 2020

Near-Term Impact Actions > Jobs & Investment Through 2021- 2022

Sustained Impact Actions > Jobs & Investment Through 2023 - 2026

### Actions Needed Now for Immediate Clean Energy Job Growth & Investment:

*Reestablish the highly effective economic recovery inter-agency working groups<sup>1</sup> as the Clean Energy Action Team (CEAT), chaired in the Governor's or a Cabinet Office, and ensure all agencies take immediate action to spark clean energy jobs and investment.*

To immediately restore clean energy jobs and spur investment, the CEAT should take the following actions now:

- Adopt milestone approval schedules for all practicable deployment-ready clean energy projects, as well as their associated distribution and transmission:
  - Expedite and track progress of their government approvals
  - Monitor their overall progress, and assist them in overcoming interconnection and other obstacles
  - Take corrective action if approval milestones fall behind schedule
  - Publish a regularly-updated dashboard showing progress of the projects and any reasons for delay
- Direct the expedited release of already-authorized clean energy funds including, but not limited to, energy efficiency, SGIP<sup>2</sup> and SOMAH<sup>3</sup> programs. Direct deployment of a significant proportion of SGIP funds to wait-listed equity projects that benefit disadvantaged areas and groups, including schools and municipal energy users. Monitor progress of fund disbursement, and take corrective action if funds are not fully disbursed and utilized. Adopt reforms for the SGIP process to reduce delays and administrative burdens, and to increase its efficiency.

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<sup>1</sup> The "Renewable Energy Policy Group" and the "Renewable Energy Action Team"

<sup>2</sup> SGIP = Self-Generation Incentive Program

<sup>3</sup> SOMAH = Solar on Multifamily Affordable Housing

- Adopt the 30 MMT<sup>4</sup> greenhouse gas emissions planning target for the electric sector in the CPUC IRP<sup>5</sup> process on an urgent basis; direct procurement aligned with that target; and plan, approve and pursue implementation of distribution and transmission reasonably required to facilitate that procurement.
- Expedite clean energy projects that can benefit from federal funds and tax credits, as well as any state stimulus or bond funds, and ensure those funds and credits are fully utilized before they expire.
- Assign a Cabinet Secretary to take responsibility for overseeing agency coordination of clean transportation programs.
- Report to the Governor and legislative leadership on deployment progress and obstacles, and on all other CEAT actions, on at least a bi-monthly basis; the report should include recommendations for new legislation or appropriations that would enhance results.

## Actions Needed Now for Clean Energy Job Growth & Investment in 2021- 2022

*Accelerate clean energy implementation, enabling near-term deployment for early achievement of clean energy milestones.*

To maximize 2021-2022 clean energy jobs and investment, the CEAT should begin the following actions now, and continue them through 2022:

- Adopt accelerated procurement/deployment targets under each existing clean energy statutory, regulatory and policy objective, and direct procurement to achieve those targets to the full extent of CEAT member authorities.
- Develop, in coordination with OPR,<sup>6</sup> model rules for virtual permitting and inspection for DERs,<sup>7</sup> clean energy microgrids and and EV<sup>8</sup> charging. Urge local governments to implement the model rules, with special recognition for the first 100 local jurisdictions to do so.
- Adopt all practicable streamlining improvements for clean energy program approval rules and processes within CEAT members' authorities, including permitting, procurement, interconnection and authorizations.
- Develop, in coordination with OPR, model rules for streamlining local government permitting and inspection for all clean energy projects (in addition to the virtual permitting and inspection referenced above). Urge local

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<sup>4</sup> MMT = Million Metric Tons

<sup>5</sup> IRP = Integrated Resource Plan

<sup>6</sup> OPR = Governor's Office of Planning & Research

<sup>7</sup> DER = Distributed Energy Resources

<sup>8</sup> EV = Electric Vehicle

jurisdictions to implement the model rules, with special recognition for the first 100 to do so.

- Adopt, in consultation with disadvantaged, front-line and other communities, a priority list of schools, hospitals, community centers and other public buildings that would benefit from clean energy deployment, including greater efficiency and resilience, and identify deployment funding sources (including existing funds, new federal or state stimulus funds, and potential bond measures).
- Direct long-duration energy storage procurement to meet grid needs consistent with the 30 MMT target and in coordination with the CAISO,<sup>9</sup> considering grid energy storage diversity, financing, and infrastructure-level funding factors.
- Expand smart energy efficiency and building decarbonization programs to enhance investment in California's building stock, including LIWP,<sup>10</sup> BUILD<sup>11</sup> and TECH<sup>12</sup> programs, and ensure utility customer-funded energy efficiency and electrification programs are fully deployed for their ability to reduce carbon, meet our energy needs, and enhance equity.
- Resolve sea-space conflicts in coordination with DOI<sup>13</sup> and BOEM,<sup>14</sup> and urge BOEM to hold lease auctions for multiple commercial-scale projects in the Central Coast and North Coast call areas in 2021.
- Ensure BOEM and federal-state processes retain sufficient Central Coast sea-space for offshore wind to help achieve California's long-term renewable energy and greenhouse gas emission objectives.
- Adopt rates that encourage energy storage, EVs and PHEVs<sup>15</sup> to charge at times that relieve grid stress and to provide grid services
- Establish a one-stop shop for clean transportation grants & incentives, including an information clearinghouse for charging rates by vehicle class.
- Ensure behind-the-meter DERs receive full value for their contributions to resource adequacy, cost effectiveness, resiliency and distribution system deferral.
- Update California's natural gas forecasts to accurately reflect the ongoing trend of significant increases in natural gas transportation rates, which are driven by new gas infrastructure needed for safety and maintenance as gas throughput declines due to decarbonization.
- Continue reporting to the Governor and legislative leadership on deployment progress and obstacles, and on all CEAT actions, on at least a monthly basis;

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<sup>9</sup> CAISO = California Independent System Operator

<sup>10</sup> LIWP = Low Income Weatherization Program

<sup>11</sup> BUILD = Building Initiative for Low Emissions Development

<sup>12</sup> TECH = Technology and Equipment for Clean Heating

<sup>13</sup> DOI = Department of Interior

<sup>14</sup> BOEM = Bureau of Ocean Energy Management

<sup>15</sup> PHEV = Plug-in Hybrid Electric Vehicle

the report should include recommendations for new legislation or appropriations that would enhance results.

## Actions Needed Now for Sustained Clean Energy Job Growth & Investment Through 2023- 2026 & Beyond

*Attract sustained investment and jobs by immediately commencing long-lead time work needed for continued clean energy deployment, and demonstrating California will offer a robust, vibrant clean energy market for years to come.*

To continue clean energy job creation and investment through 2023-2026 and into California's future, the CEAT should begin the following actions now, and continue them through 2026:

- Plan, approve and support deployment, including taking action to assure progress, of long lead-time distribution and transmission assets and systems needed to meet 2030 clean energy objectives, access the lowest cost and most reliable clean energy resources, and ensure land use and conservation objectives are included from the start.
- Direct procurement of clean energy projects that meet energy system needs currently served by “once-through” cooling power plants, other natural gas-fired generation and the Diablo Canyon nuclear power plant.
- Study the impacts of curtailment at high levels of renewable energy penetration and adopt strategies to address excessive curtailment, such as enabling renewables to optimize the grid benefits they provide and making the necessary investments in new and upgraded transmission.
- Establish a target of 7,000,000 ZEVs<sup>16</sup> and PHEVs deployed by 2030, and at least one million EV charging and 200 hydrogen fueling stations that serve public uses, including a diversity of business and operational models.
- Revise program guidelines and eligibility criteria for new and emerging business models that support transportation electrification goals, including encouraging people to travel via, and/or purchase, zero-emission vehicles.
- Establish a target of one million solar-charged batteries at customer sites, and adopt a market transformation program for energy storage.
- Continue reporting to the Governor and legislative leadership on deployment progress and obstacles, and on all CEAT actions, on at least a quarterly basis; the report should include recommendations for new legislation or appropriations that would enhance results.

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<sup>16</sup> ZEVs = Zero Emission Vehicles