

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

01/28/21 03:10 PM

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021. Rulemaking 20-11-003 (Filed November 19, 2020)

COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS ASSOCIATION ON THE PROPOSED DECISION

GOODIN, MACBRIDE, SQUERI & DAY, LLP Brian T. Cragg bcragg@goodinmacbride.com 505 Sansome Street, Suite 900 San Francisco, California 94111 Telephone: (415) 392-7900 Facsimile: (415) 398-4321

Attorneys for the Independent Energy Producers Association

Dated: January 28, 2021

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021. Rulemaking 20-11-003 (Filed November 19, 2020)

COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS ASSOCIATION ON THE PROPOSED DECISION

The Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Seek Contracts for Additional Power Capacity for Summer 2021 Reliability (PD) is narrowly focused on the procurement of incremental supply capacity that can be in commercial operation between June 1 and September 1, 2021. The Independent Energy Producers Association (IEP) agrees that it is appropriate to focus initially on the procurement of resources for 2021 that can help avoid the conditions that resulted in rotating outages in August 2020.

Based on parties' testimony and comments on the Order Instituting Rulemaking and the Administrative Law Judge's December 11, 2020 ruling, IEP expects that some parties will comment that the PD does not go far enough, that the Commission should procure more of certain types of resources, or that the PD, if adopted, will stymie California's progress toward its clean energy goals. The PD makes it clear, however, that it is focused on "the actions that are most urgently needed in order to practically deliver the intended benefit by summer 2021," specifically "increasing supply during the peak and net peak demand hours."¹ The PD also makes it clear that procurement beyond 2021 and other approaches to addressing the circumstances that led to the rotating outages in August 2020 will be considered in subsequent decisions in this and other proceedings.

Focusing on procurement of supply capacity that can be on line for summer 2021 is a logical and prudent response to the conditions that led to the August outages. Procuring incremental capacity, if any is available, helps combat any erosion of the current level of reliability and provides insurance against the capacity shortages that much of the state experienced in August. Ensuring reliability needs to be the top priority for the Commission.

Some parties might claim that by allowing procurement from existing power plants, including gas-fired power plants, the PD is undermining California's renewable energy and zero-carbon goals. But the August outages illustrated that maintaining reliability is critical to retaining public support for these goals. Many commenters were quick to blame the outages, incorrectly, on California's success in developing solar energy. Any further outages might result in wider acceptances of these erroneous views and the erosion of popular support for the renewable energy and zero-carbon goals. Moreover, until we see the results of the utilities' procurement efforts, it is uncertain that any incremental capacity can be teased out of existing resources. The incremental generation called for by the PD will not have a material effect on California's ability to meet its long-term carbon neutrality goals.

The PD is a limited and responsible reaction to the conditions that led to the August outages, and IEP respectfully urges the Commission to act quickly to approve the PD as written.

¹ PD, p. 4.

Respectfully submitted this 28th day of January, 2021, at San Francisco, California.

GOODIN, MACBRIDE, SQUERI & DAY, LLP Brian T. Cragg 505 Sansome Street, Suite 900 San Francisco, California 94111 Telephone: (415) 392-7900 Facsimile: (415) 398-4321 bcragg@goodinmacbride.com

By: <u>/s/ Brian T. Cragg</u> Brian T. Cragg

Attorneys for the Independent Energy Producers Association

2970/003/X223836.v1