

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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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)

**OPENING BRIEF OF CENTER FOR ENERGY EFFICIENCY
AND RENEWABLE TECHNOLOGIES**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

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SUMMARY OF RECOMMENDATIONS

Rule 13.11 of the Commission’s Rules of Practice and Procedure requires that a “summary of the briefing party’s recommendations [follow] the table of authorities.” In summary, the Center for Energy Efficiency and Renewable Technologies (CEERT) recommends and requests that the Commission take the following actions in its Decision schedule to be issued in R.20-11-003 in March 2021:

- The Commission should determine that no new investments should be made in the gas fleet.
- If the Commission instead determines to authorize procurement of gas-fired generation, that procurement should be identified as required as a “last resort” and limited to short-term contracts of no more than three years in duration.
- The Commission should determine that clean resources, such as solar + storage hybrids, demand response (DR) and behind-the-meter (BTM) distributed energy resources (DERs), should be prioritized and authorized for procurement to meet extreme weather events.

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**OPENING BRIEF OF CENTER FOR ENERGY EFFICIENCY
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Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits this Opening Brief in Rulemaking (R.) 20-11-003 (Extreme Weather). In this Rulemaking, the Commission seeks to establish policies, processes, and rules to ensure reliable electric service in California in the event of an extreme weather event in 2021. CEERT's Opening Brief is timely filed and served pursuant to the Commission's Rules of Practice and Procedure (Rule 13.11) and the Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo), dated December 21, 2020.

**I.
BACKGROUND AND SUMMARY OF CEERT'S POSITION**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations. CEERT develops, advances, supports, and advocates for policies and decisions that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT has been a long-time, active party in multiple proceedings before the Commission to advance those interests since its founding in 1990.

In R.20-11-003, the Commission seeks to establish policies, processes, and rules to ensure reliable electric service in California in the event of an extreme weather event in 2021.

CEERT submitted Opening Testimony in this proceeding on January 11, 2021 and Rebuttal Testimony on January 19, 2021.

As supported by the record in this proceeding and applicable policy, addressed in this brief, CEERT recommends that the Commission take the following actions in its decision that is anticipated to be issued in R.20-11-003 in March or April 2021:

- The Commission should determine that no new investments should be made in the gas fleet.
- If the Commission instead determines to authorize procurement of gas-fired generation, that procurement should be identified as required as a “last resort” and limited to short-term contracts of no more than three years in duration.
- The Commission should determine that clean resources, such as solar + storage hybrids, demand response (DR) and behind-the-meter (BTM) distributed energy resources (DERs), should be prioritized and authorized for procurement to meet extreme weather events.

II.

ANY EXPANSION OF GAS FIRED GENERATION OR NEW INVESTMENT IN GAS FIRED GENERATION MUST EITHER BE AVOIDED ENTIRELY OR, IF USED IN A LAST RESORT SCENARIO, BE LIMITED TO SHORT-TERM CONTRACTS.

In the Scoping Memo, one of the issues to be addressed in this proceeding is “[e]xpedited procurement that could be online by summer 2021 and 2022, including the expansion of gas-fired generation assets.”¹ CEERT has long advocated against the expansion of gas-fired generation and urges the Commission here to instead focus on demand-side resources and solar + storage hybrids deep in the California Independent System Operator (CAISO) interconnection queue in order to meet California’s clean energy goals. For example, in CEERT’s Opening Testimony in this proceeding, CEERT urged the Commission “to focus on least-regrets solutions

¹ Scoping Memo, at p. 2.

to maintain reliability in Summer 2021, including procurement of available clean energy resources and demand-side solutions.”² In addition, CEERT recommended that incremental investment in gas must be made only as a last resort and should be restricted to short-term contracts only.³

As such, CEERT agrees with the Green Power Institute (GPI) who joined CEERT, California Environmental Justice Alliance (CEJA), and Sierra Club “in opposing any procurement in this proceeding from new fossil fuel generators, and we reiterate our argument that any procurement that occurs in this proceeding should follow the state’s preferred resources loading order.”⁴ CEERT also agrees with Sierra Club who identifies the numerous issues with new procurement or expansion of gas-fired generation. For example, CEERT agrees with Sierra Club who highlights “the unique risks that increased gas plant emissions posed to disadvantaged communities, particularly during the COVID-19 pandemic.”⁵

In the event that the Commission determines, as a last resort, to procure additional gas-fired generation or make any additional investment in gas-fired generation, it should be identified as required as a “last resort” and should be limited to short-term contracts of no more than three years. CEERT agrees with The Utility Reform Network (TURN), which testified that, if additional generation procurement is authorized it should be limited to contracts that are no more than three years in length, “except in the case of incremental storage resources.”⁶

² Opening Prepared Testimony of the Center for Energy Efficiency and Renewable Technologies, submitted on January 11, 2021 (Ex. CEERT-01), at p. 2, lines 9-11.

³ Ex. CEERT-01, at p. 2, lines 11-13.

⁴ Reply Testimony of the Green Power Institute in the Extreme Weather Reliability Proceeding, submitted on January 19, 2021 (Ex. GPI-1), at p. 1, lines 24-27.

⁵ Prepared Opening Testimony of Luis Amezcuca on Behalf of Sierra Club, submitted on January 11, 2021 (Ex. SC-01), at p. 2, lines 18-20.

⁶ Prepared Direct Testimony of Michael Peter Florio, submitted on January 11, 2021 (Ex. TURN-01), at p. 2, lines 11-5.

CEERT reiterates its recommendation that any “longer-term procurement decisions must be made in the Integrated Resource Planning (IRP) proceeding (R.20-05-003).”⁷ CEERT shares the concerns of TURN that “[a]llowing procurement in this docket directed at summer 2022 could interfere with activities in the IRP proceeding, creating conflict and overlap.”⁸

Lastly, CEERT disagrees with the arguments made by San Diego Gas & Electric Company (SDG&E) regarding limitations on resource eligibility.⁹ In its testimony, SDG&E urges the Commission to reject proposals made by Sierra Club and CEERT “that all gas-fired resources be deemed ineligible to meet the procurement directives issues in the instant case ...”¹⁰ SDG&E states that in order to “meet the objectives set forth in the rulemaking, the Commission must cast a wide net and permit the IOUs to consider *all* available resources that can come reasonably close to meeting the summer 2021 online date.”¹¹ CEERT agrees that the Commission must allow the maximum number of “least regrets” solutions to come forward. However, CEERT urges the Commission to direct the investor-owned utilities (IOUs) to procure clean resources to meet the objectives set forth in this proceeding, following the loading order, instead of relying merely on gas-fired generation from the outset.

⁷ Rebuttal Testimony of the Center for Energy Efficiency and Renewable Technologies, submitted on January 19, 2021 (Ex. CEERT-02), at p. 2, lines 9-10.

⁸ Ex. TURN-01, at p. 8, lines 4-5.

⁹ Prepared Rebuttal Testimony of San Diego Gas & Electric Company Regarding Proposals for Increasing Supply During Peak and Net Peak Demand Hours, submitted on January 19, 2021 (Ex. SDGE-4), at p. 4, line 3 through p. 5, line 12.

¹⁰ Ex. SDGE-4, at p. 4, lines 6-10.

¹¹ Ex. SDGE-4, at p. 5, lines 4-6.

III.
**CEERT IS CONCERNED THAT THE CURRENT DIRECTION IN THIS
PROCEEDING IS FOR THE COMMISSION TO PROCURE GAS-FIRED
GENERATION AND INCREMENTAL ENERGY STORAGE, INSTEAD OF CLEAN
ENERGY RESOURCES, SUCH AS DR, STORAGE + SOLAR HYBRIDS AND DERS.**

In addition, CEERT understands that there is a need for additional capacity that is demonstrated in Decision (D.) 19-11-016.¹² However, CEERT is concerned that the direction the Commission is taking in this proceeding will lead to reliance on existing natural gas and incremental energy storage capacity. For example, 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 (Proposed Decision) recently issued in this proceeding appears to exclude investigation of procurement of preferred resources. While the Proposed Decision suggests the Commission will be issuing a “subsequent Proposed Decision that will address demand side measures as well as any additional supply-side measures” in March 2021, the fact that procurement of gas-fired generation has been authorized first, without any guarantee as to what or how procurement of “demand-side measures” will take place, instills little confidence of an outcome that will actually be environmentally beneficial and in keeping with this State’s clean energy policies.¹³

CEERT also notes that adding stand-alone storage to the list of eligible resources for emergency procurement does little to cure the problem of over-reliance on procurement of incremental gas. Unless new clean energy is procured to charge those batteries, they will be charged with the least efficiency, most expensive gas on the system raising costs, greenhouse gas (GHG) emissions, putting further pressure on the fragile Southern California gas supply system, and impacting disadvantaged communities.

¹² D.19-11-016, at p. 3.

¹³ CPUC Press Release, January 8, 2021, at p. 2.

Similarly, CEERT concurs with CEJA who states that “environmental inequities disproportionately borne by disadvantaged communities make it vital that energy solutions to potential extreme weather events focus on demand reduction and other non-emitting resources.”¹⁴ Again, CEERT urges the Commission to look at procuring solar + storage hybrids and demand side resources instead of gas-fired generation. The gas fleet is already paid full market RA price for its capacity and should not be given additional long-term fixed price contracts in an attempt to cure its non-performance on those existing contracts.

IV. CEERT URGES THE COMMISSION TO ACCEPT THE PROGRAM RECOMMENDATIONS MADE BY DEMAND-SIDE RESOURCE PROVIDERS

As discussed in its Opening Testimony, while CEERT understands that the focus of this proceeding is on procurement of resources “that can be on-line by early Summer 2021, the Commission should recognize that there is equal or greater urgency to procure clean resources that can be on line for the Fall of 2021 and Summer 2022.”¹⁵ In addition, CEERT continues to recommend “that the Commission adopt the recommendations made ... by demand-side resource providers in order to best modify programs so that solar + storage hybrids, demand response (DR) and behind-the-meter (BTM) distributed energy resources can compete.”¹⁶ The Joint Demand Response Parties (Joint DR Parties)¹⁷ agree with CEERT that “Summer 2022 is at least as important to prepare for as Summer 2021.”¹⁸ By doing so, the Commission can ensure that if clean resources are not procured for Summer 2021, modifications to demand-side resource

¹⁴ Prepared Testimony on Dan Sakaguchi, MS, on Behalf of the California Environmental Justice Alliance, submitted on January 11, 2021 (Ex. CEJA-01), at p. 2, lines 33-35.

¹⁵ Ex. CEERT-01, at p. 2, lines 18-21.

¹⁶ Ex. CEERT-02, at p. 1, lines 18-22.

¹⁷ The Joint DR Parties are comprised of CPower and Enel X North America, Inc.

¹⁸ Ex. JDRP-02, at p. 11, lines 26-28.

programs can be made so that these resources can actively and effectively participate by Summer 2022.

CEERT supports the recommendations made by numerous demand-side provider parties in this proceeding regarding modification of DR programs because they have the experience to provide the best recommendations. For example, parties including but not limited to the DR Coalition,¹⁹ the Joint DR Parties and Polaris Energy Services (Polaris) provide specific recommendations that should be adopted by the Commission in order to provide ample opportunities for various demand side resource programs to participate.²⁰

Clearly, the Proposed Decision anticipated to be issued in March 2021 is a significant event to test the Commission's commitment to this State's policies to address climate change and further reliance on clean energy resources to meet electric demand. CEERT, therefore, again strongly urges the Commission to "provide the same level of attention and urgency associated with hybrid, DR and DER resources as they do to natural gas and stand alone storage in this new resource procurement proceeding."²¹

V. CONCLUSION

Based on the record, law, and policy applicable to this Application, as detailed and supported in this Opening Brief, it is CEERT's position that the Commission order procurement of gas-fired generation in this proceeding, only as a measure of last resort and if it does direct expansion of gas that this procurement be limited to short-term contracts. In addition, the

¹⁹ The DR Coalition is comprised of the California Efficiency + Demand Management Council, Google LLC, Leapfrog Power, Inc., NRG Energy, Inc., OhmConnect, Inc., Oracle, Tesla, Voltus, Inc., and Willdan).

²⁰ See, e.g., Opening Prepared Testimony of the DR Coalition, submitted on January 11, 2021 (Ex. DR Coalition-01); Ex. JDRP-01; and Opening Prepared Testimony of Polaris Energy Services, submitted on January 11, 2021 (Ex. Polaris-01).

²¹ Ex. CEERT-02, at p. 3, lines 4-7.

Commission must accept the recommendations made by the demand side resource providers to ensure that these resources provide the most benefits possible.

Respectfully submitted,

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