



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
PROPOSED DECISION REQUIRING PROCUREMENT TO ADDRESS MID-TERM
RELIABILITY (2023-2026) AND ALTERNATE PROPOSED DECISION REQUIRING
PROCUREMENT TO ADDRESS MID-TERM RELIABILITY (2023-2026)**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

June 15, 2021

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Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
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**OPENING COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON
PROPOSED DECISION REQUIRING PROCUREMENT TO ADDRESS MID-TERM
RELIABILITY (2023-2026) AND ALTERNATE PROPOSED DECISION REQUIRING
PROCUREMENT TO ADDRESS MID-TERM RELIABILITY (2023-2026)**

Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Proposed Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026) (Proposed Decision) and the Alternate Proposed Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026) (Alternate Proposed Decision). Both the Proposed Decision and Alternate Proposed Decision were mailed in this proceeding on May 21, 2021. These Reply Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision and the Alternate Proposed Decision.

**I.
CEERT AGREES WITH MULTIPLE PARTIES WHO SUPPORT THE AMOUNT OF
PROCUREMENT ORDERED IN THE ALTERNATE PROPOSED DECISION**

In its Opening Comments, CEERT strongly supported “the high amount of procurement ordered in the Alternate Proposed Decision.”¹ Numerous other parties also supported the amount of procurement set forth in the Alternate Proposed Decision.² As such, CEERT agrees with

¹ Opening Comments of CEERT, at p. 3.

² See, e.g., Opening Comments of Union of Concerned Scientists at p. 1; Opening Comments of Advanced Energy Economy, at p. 3; and Opening Comments of Large-Scale Solar Association and the Solar Energy Industries Association, at p. 2; and Opening Comments of California Energy Storage Alliance, at pp. 1-2.

Environmental Defense Fund (EDF) who supports the “decision to base procurement requirements on the high need scenario because ratepayers will benefit from bringing new renewable resources online sooner.”³

In addition, CEERT previously supported the Alternate Proposed Decision’s allocation of 1,000 MW of long-duration storage. CEERT agrees with the Long Duration Energy Storage Association of California (LDESAC) that directing procurement now “allows for the most efficient, orderly, and economic implementation of these resources.”⁴

However, while CEERT fully supports the long duration energy storage allocation contained in the Alternate Proposed Decision, it is disappointed that a similar allocation has not been made for geothermal resources.⁵ CEERT agrees with The Utility Reform Network (TURN) that the Commission’s “generic encouragement for [load-serving entities (LSEs) to procure geothermal to meet ‘long-lead-time’ resource target is not meaningful because it is not backed by any unique eligibility criteria, specific requirements, inducements or threats of noncompliance penalties.”⁶ In addition, CEERT agrees with TURN:

If the Commission wishes to require the development of additional geothermal resources, which TURN supports, the requirement that “long-lead-time resources” provide a minimum of 5 hours per day of firm output will be insufficient and ineffective. The Commission should consider requiring that the 1,000 MW of “long-lead-time resources” be required to operate at an 85% capacity factor and eliminate the alternative 5-hour dispatchability test. This approach would allow geothermal to compete with other clean firm resources (like biomass) to supply this need.⁷

As such, CEERT again recommends that the Alternate Proposed Decision be modified to allow for a mandate for geothermal resources in this procurement.

³ Opening Comments of EDF, at p. 1.

⁴ Opening Comments of LDESAC, at p. 4.

⁵ Opening Comments of CEERT, at p. 7.

⁶ Opening Comments of TURN, at p. 9.

⁷ *Id.*

II.
**CEERT DISAGREES WITH THE POSIITON TAKEN BY SOUTHERN CALIFORNIA
EDISON REGARDING THE PROCUREMENT MANDATES IN THE ALTERNATE
PROPOSED DECISION**

CEERT disagrees with Southern California Edison (SCE) who argues that there is no demonstrated need for these technology mandates and attribute requirements.⁸ As CEERT demonstrated in its Opening Comments, these are valuable, diverse resources that must be relied upon to meet the State’s aggressive greenhouse gas targets. CEERT further disagrees with SCE’s contention that:

Because there is no analysis or record justifying the specific procurement (or the timing of such procurement) requirements for Diablo Canyon replacement, long-lead time, or fossil-fueled resources or how to allocate procurement to meet clean energy needs among LSEs, there should be no technology or attribute-based requirements for this procurement other than meeting peak and net peak demand.⁹

Senate Bill (SB) 1090 (Monning), Section 3 requires that any replacement electricity for the electricity lost due to the retirement of Diablo Canyon Units 1 and 2 must “not result in an increase in the emissions of greenhouse gases...” As such, there must be a greenhouse gas (GHG) accounting mechanism to ensure this procurement is in compliance with SB 1090. Furthermore, limiting procurement to resources that meet peak and net peak demand may lead to procurement of a less diverse set of renewable resources and the possibility that California will be unable to meet its 38 MMT target by 2030.

III.
**NUMEROUS PARTIES, INCLUDING CEERT OPPOSE PROCUREMENT OF
NATURAL GAS RESOURCES**

In its Opening Comments, CEERT argued that procurement of additional natural gas capacity is not warranted.¹⁰ However, “if the Commission ultimately decides to encourage

⁸ Opening Comments on the Proposed Decision of SCE, at p. 9.

⁹ Opening Comments on the Proposed Decision of SCE (Subject Index of Recommended Changes).

¹⁰ Opening Comments of CEERT, at p. 8.

additional fossil fuel resource procurement, the Commission should change the Alternate Proposed Decision to *authorize* natural gas procurement up to 500MW, rather than require this amount.”¹¹ For these reasons, CEERT agrees with the numerous parties who oppose the unjustified procurement of fossil fuel resources in either the Proposed Decision or the Alternate Proposed Decision.¹²

The proposed fossil fuel requirement in the Alternate Proposed Decision is not based on any quantitative need. CEERT agrees with Protect Our Communities Foundation (PCF) who states that, based on numerous studies and research, “California only needs to procure renewable energy and storage going forward. The overwhelming evidence shows that the Commission should reject any new fossil fuel procurement...”¹³ Similarly, the Union of Concerned Scientists (UCS) correctly states that “[o]ut of all the modeling that has been conducted in the Integrated Resource Planning (“IRP”) proceeding in the current cycle and previous cycle, there has never been an identified need for further investments in fossil-fuel infrastructure.”¹⁴

CEERT has long recommended and again reiterates its request here that any capacity need must and can be filled by clean energy resources. As such, CEERT agrees with EDF who “strongly opposes the development of new fossil resources, including repowering of existing resources.”¹⁵ PCF correctly states that all of the Commission modeling exercises, “non-Commission modeling exercises, and real-world solicitations have quantitatively determined that building new renewable energy generation capacity is cheaper, more reliable, and less polluting

¹¹ Opening Comments of CEERT, at p. 8.

¹² See, e.g., Opening Comments of California Environmental Justice Alliance Sierra Club, and Defenders of Wildlife, at pp. 1-2; Opening Comments of Union of Concerned Scientists, at p. 1; Opening Comments of Green Power Institute, at p. 7; Opening Comments of Vote Solar, at pp. 2-3; Opening Comments of LDESAC, at p. 6; Opening Comments of TURN, at p. 1.

¹³ Opening Comments of PCF, at p. 1.

¹⁴ Opening Comments of UCS, at p. 3.

¹⁵ Opening Comments of EDF, at p. 7.

than gas fired generation.”¹⁶ In sum, the time is now for the Commission to act and finally move away from gas fired generation and instead direct procurement of all clean energy resources.

Resource diversity and innovation should be encouraged to meet these procurement needs.

Lastly, in the event the Commission does move forward with natural gas procurement, it should *authorize* rather than *require* fossil fuel resources. CEERT agrees with the Natural Resources Defense Council that the Alternate Proposed Decision should be modified to clarify that the 500 MW of fossil fuel resources “should be the upper limit of gas capacity additions as opposed to a requirement. LSEs should be encouraged to meet system reliability needs without incremental gas procurement to the extent cost-effective and feasible.”¹⁷ CEERT also agrees with the recommendation made by Advanced Energy Economy (AEE) that if an LSE or investor-owned utility (IOU) must procure incremental gas capacity, the Commission should require them “to explain why other non-fossil generation resources, or portfolios of resources, were not feasible to meet reliability needs in their full applications for approval of fossil fuel generation contracts.”¹⁸

IV. CONCLUSION

CEERT appreciates the opportunity to submit these Reply Comments.

Respectfully submitted,

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¹⁶ Opening Comments of PCF, at p. 9.

¹⁷ Opening Comments of NRDC, at p. 2.

¹⁸ Opening Comments of AEE, at p. 5.