



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 COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
PROPOSED PHASE 2 DECISION DIRECTING PACIFIC GAS AND ELECTRIC
COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS &
ELECTRIC COMPANY TO TAKE ACTIONS TO PREPARE FOR POTENTIAL
EXTREME WEATHER IN THE SUMMERS OF 2022 AND 2023**

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November 10, 2021

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Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Proposed Phase 2 Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023 (Proposed Decision), mailed in this proceeding on October 29, 2021. These Opening 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.

**I.
BACKGROUND ON CEERT**

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, environmental organizations, public health groups and environmental justice organizations. 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.

II. THE PROPOSED DECISION MUST BE MODIFIED TO EXCLUDE PROCUREMENT OF FOSSIL FUEL GENERATION

CEERT is disappointed to see that the Proposed Decision continues to allow procurement of fossil fuel generation in this proceeding.¹ Throughout this proceeding, CEERT has recommended that the Commission “consider making any investment in gas-fired generation only as a last resort and that these contracts should be limited to no more than three years.”² However, the Commission ignored this recommendation and issued Decision (D.) 21-03-056 which is the Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022 which allowed the utilities to rely on incremental generation at existing power plants.³ The Proposed Decision again orders the utilities to submit Tier 3 Advice Letter “for contracts of five years or more for efficiency improvements resulting in incremental generation at existing gas power plants.”⁴

CEERT urges the Commission to reconsider this position and instead prohibit the utilities from procuring fossil fuel resources. As previously argued in this proceeding, CEERT urges the Commission to adopt an approach similar to that taken in the integrated resources planning (IRP) proceeding (R.20-05-003).⁵ In the IRP proceeding, the Commission issued D.21-06-035 which

¹ Proposed Decision, at p. 150.

² *See, e.g.*, CEERT Opening Comments on Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022 (CEERT Opening Comments on Phase 1 Proposed Decision), at p. 5.

³ D.21-03-056, at p. 88 (Ordering Paragraph 14).

⁴ Proposed Decision, at p. 165 (Ordering Paragraph 63).

⁵ CEERT Phase 2 Opening Brief, at p. 6.

is the Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026). D.21-06-035 ordered procurement of 11,500 MW and explicitly stated that “[i]ncremental capacity from fossil-fueled resources will not be eligible to qualify under this order...”⁶

Since the issuance of D.21-06-035, the California Energy Commission (CEC) presented its Midterm Reliability Analysis (CEC MTR Analysis) on August 30 at the Lead Commissioner Workshop.⁷ Nothing in the CEC MTR Analysis indicates that there is any need to procure fossil-fueled resources. Instead, the CEC MTR Analysis finds that “[a] portfolio of preferred resources can provide equivalent system reliability to gas resources.”⁸

CEERT supports the statements made by California Environmental Justice Alliance and Sierra Club (CEJA and Sierra Club) when commenting on the Proposed Preferred System Plan (PSP) Ruling in R.20-05-003 (IRP). CEJA and Sierra Club state that gas procurement should not be authorized because:

(a) There is no need for additional gas generation; (b) preferred resources provide the necessary reliability; (c) procurement of gas resources is inconsistent with climate requirements; (d) procurement of gas resources impacts local communities with air pollution and risks methane leakage; (e) gas resources are not a just or reasonable ratepayer cost; and (f) gas resources are not reliable on the highest demand days.⁹

The same arguments can be made in this proceeding. Further reliance on fossil fueled generation will lead to negative environmental justice, environmental and health impacts. Similarly, it leads the Commission further and further away from the State’s clean energy goals. Furthermore, as CEERT stated in its Phase 2 Opening Brief, there have been “multiple, deadly failures that demonstrate systemic reliability challenges in natural gas supply that drain ratepayer

⁶ D.21-06-035, at pp. 2-3.

⁷ CEC Lead Commissioner Workshop – Midterm Reliability Analysis & Incremental Efficiency Improvements to Natural Gas Power Plants, presented on August 30, 2021 (CEC MTR Analysis) which can be found here: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-ESR-01>.

⁸ CEC MTR Analysis, at Slide 41.

⁹ CEJA and Sierra Club Opening Comments on PSP Ruling in R.20-05-003, at pp. 16-17.

wallets and risk electric reliability without any Commission notice or action.”¹⁰ The bottom line is that fossil fuel resources are less reliable and much more dangerous than a portfolio of clean resources. As such, the Commission should modify this Proposed Decision to clarify and directly state that the utilities are prohibited from procuring fossil fuel resources even on an incremental basis.

CEERT had previously argued that the Commission limit procurement of fossil fuel resources to short-term contracts.¹¹ CEERT now recommends that there be **no** gas procurement made in this proceeding. CEERT once again states that the Commission “must devote more energy into acceleration of procurement and construction of approved clean resources than it does to scouring the floor for the dregs of incremental fossil generation.”¹²

III. CONCLUSION

CEERT appreciates the opportunity to comment on this Proposed Decision and urges the Commission to make the modifications addressed above and included in CEERT’s Proposed Modifications to the Proposed Decision’s Findings of Fact, Conclusions of Law, and Ordering Paragraphs attached hereto as Appendix A.

Respectfully submitted,

November 10, 2021

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¹⁰ CEERT Phase 2 Opening Brief, at p. 7.

¹¹ *See, e.g.*, CEERT Phase 2 Opening Brief, at p. 7.

¹² CEERT Phase 2 Opening Brief, at p. 8.

APPENDIX A

CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES’ PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED PHASE 2 DECISION DIRECTING PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY TO TAKE ACTIONS TO PREPARE FOR POTENTIAL EXTREME WEATHER IN THE SUMMERS OF 2022 AND 2023

Center for Energy Efficiency and Renewable Technologies (CEERT) proposes the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs of the Proposed Phase 2 Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023, mailed in R.20-11-003 (Extreme Weather) on October 29, 2021 (Proposed Decision).

Please note the following:

- A page citation to the Revised Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as “**NEW**” in **bold**, underscored capital letters.

PROPOSED FINDINGS OF FACT:

NEW. Continued reliance on fossil fuel plants will negatively impact low-income and disadvantaged communities and cause undue environmental and health impacts.

PROPOSED CONCLUSIONS OF LAW:

6. [139] The Commission should **not** allocate procurement responsibility for the additional contingency resources ordered in this decision to the three large IOUs, using the same allocation ratios used for summer 2021 incremental procurement in the Phase 1 decisions.

PROPOSED ORDERING PARAGRAPHS:

12. [149-150] The net costs associated with the supply side procurement by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall be passed through to all benefiting customers consistent with the existing cost allocation mechanism. PG&E, SCE and SDG&E are directed to continue their procurement efforts and endeavor to achieve an effective 20% to 22.5% planning reserve margin for the months of concern. ~~All procurement contracts shall be submitted to the Commission via a Tier 1 Advice Letter on a continuing basis, except for contracts for incremental imports, incremental utility owned resources, and incremental gas generation of five years or more.~~ Tier 1 Advice Letters are not required, but may be submitted, for incremental imports. Contracts for utility owned resources shall be submitted to the Commission via a Tier 2 Advice Letter. ~~Contracts of five years or more for incremental generation at existing gas power plants shall be submitted to the Commission via a Tier 3 Advice Letter.~~ Contracts for fossil-fuel development at new sites or for redevelopment or full repowering at existing or mothballed electric generation sites will not be considered. **PG&E, SCE, and SDG&E are directed not to procure any contracts for gas generation.**