

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)

**OPENING COMMENTS OF  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON  
PROPOSED DECISION ADOPTING 2021 PREFERRED SYSTEM PLAN**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

January 14, 2022

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Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Opening Comments on the Proposed Decision Adopting 2021 Preferred System Plan (Proposed Decision), mailed in this proceeding on December 22, 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 which specifically provide that Opening Comments are due on January 14, 2022, and Reply Comments are due on January 19, 2022. Attachment A to this Proposed Decision are Modeling Assumptions for 2022-2023 Transmission Planning Process (Attachment A).

**I.  
INTRODUCTION**

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.

While CEERT is pleased to see that the Proposed Decision adopts a lower Preferred System Plan (PSP) greenhouse gas (GHG) target, CEERT continues to argue that a 30 million metric ton (MMT) target is more appropriate. CEERT appreciates that the Proposed Decision does not make any fundamental changes to the mid-term reliability (MTR) decision (D.21-06-053) and specifically states that “fossil-fueled resources will remain ineligible for compliance with that order[.]”<sup>1</sup> Lastly, CEERT supports the Commission’s commitment “to additional analysis of local resources that will help [the Commission] to reduce reliance on the Aliso Canyon natural gas storage facility.”<sup>2</sup>

## **II. CEERT RECOMMENDS THAT THE COMMISSION ADOPT A 30 MMT GHG TARGET**

The Proposed Decision “adopts a Preferred System Plan (PSP) portfolio that meets a statewide 38 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector in 2030.”<sup>3</sup> While CEERT appreciates the lower GHG target, CEERT again recommends adoption of a 30 MMT GHG target. CEERT reiterates that if a 30 MMT GHG target is not adopted in this decision than it should be adopted in the next planning cycle.<sup>4</sup> In fact, the Proposed Decision notes that CEERT was one of several parties who “supported using the 30 MMT portfolio as the PSP[.]”<sup>5</sup>

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<sup>1</sup> Proposed Decision, at p. 3.

<sup>2</sup> *Id.*, at p. 3.

<sup>3</sup> *Id.*, at p. 2.

<sup>4</sup> *See, e.g.*, Reply Comments of Center for Energy Efficiency and Renewable Technologies on Administrative Law Judge’s Ruling Seeking Comments on Proposed Preferred System Plan, submitted on October 11, 2021, at p. 1.

<sup>5</sup> Proposed Decision, at p. 97.

On December 6, 2021, CEERT, Environmental Defense Fund (EDF), Environment CA, Large-scale Solar Association (LSA), and Three Rivers Energy Development LLC (TRED) (collectively, the Joint Parties) submitted comments on the November 18, 2021 stakeholder meeting in the CAISO 2021-2022 TPP.<sup>6</sup> In these comments, the Joint Parties stress the importance of incorporating all renewable energy targets to look at economy-wide decarbonization for local and system-wide needs.<sup>7</sup> These comments further demonstrate the importance of adopting a lower GHG target.<sup>8</sup>

While the Commission does not adopt a 30 MMT target in this Proposed Decision, it states that the Commission is open to revisiting the target in future IRP cycles and for future planning years.<sup>9</sup> In addition, the Proposed Decision recommends that Commission Staff should determine if a California Independent System Operator (CAISO) Transmission Planning Portfolio (TPP) “policy-driven sensitivity portfolio based on the 30 MMT GHG target by 2030 can be developed for analysis by the CAISO in the next few months.”<sup>10</sup>

While CEERT appreciates the move to a lower GHG target and the commitment to studying the 30 MMT GHG target, the Commission must adopt a 30 MMT GHG target as soon as possible, and if not in this decision, then at the next possible opportunity. All future PSPs must be based on a 30 MMT or lower GHG target in order for the State to meet its clean energy targets.

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<sup>6</sup> CEERT, EDF, Environment CA, LSA, and TRED Comments submitted in CAISO 2021-2022 TPP on December 6, 2021 which can be found here:

<https://stakeholdercenter.caiso.com/Comments/AllComments/97a24911-d1e6-4d36-8cfe-a29d9de4e50b#org-e55ea97e-1322-481e-8430-71e2c17c050a>

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> Proposed Decision, at p. 106.

<sup>10</sup> *Id.*, at p. 174 (Conclusion of Law 13).

### **III. THE COMMISSION SHOULD FIND THAT FOSSIL-FUELED GENERATION IS NOT NEEDED IN THE PSP**

CEERT strongly supports the fact that the Proposed Decision explicitly states that fossil-fueled resources are ineligible for compliance with the MTR decision (D.21-06-053).<sup>11</sup> CEERT was pleased that D.21-06-035 excluded procurement from fossil-fueled resources. Furthermore, since the issuance of D.21-06-035, the California Energy Commission (CEC) presented its Midterm Reliability Analysis (CEC MTR Analysis) in August 2021.<sup>12</sup> This Analysis found that “[a] portfolio of preferred resources can provide equivalent system reliability to gas resources.”<sup>13</sup>

As such, CEERT is disappointed that the Proposed Decision has not completely ruled out fossil-fuel procurement in the future. Instead, the Proposed Decision states that the Commission anticipates “being able to complete robust additional analysis around the need for additional fossil-fueled infrastructure, if any, during the next IRP cycle in 2022 and 2023.”<sup>14</sup> The Proposed Decision notes that many stakeholders have “urged the Commission not to authorize any additional natural-gas-fueled generation and instead to require 100 percent zero-emitting resources to meet electric system needs going forward.”<sup>15</sup> CEERT agrees with these parties and recommends that the Commission find that fossil-fueled generation resources are not needed in the PSP, or any PSP going forward.

CEERT reiterates its long-standing request that any capacity need must and can be filled by clean energy resources and that a diverse set of clean resources must be relied upon to meet the State’s aggressive GHG targets.

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<sup>11</sup> Proposed Decision, at p. 3.

<sup>12</sup> 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>.

<sup>13</sup> CEC MTR Analysis, at Slide 41.

<sup>14</sup> Proposed Decision, at p. 132.

<sup>15</sup> *Id.*, at p. 10.

**IV.  
ALISO CANYON MUST BE CLOSED AS SOON AS POSSIBLE**

CEERT has been active in the Aliso Canyon proceeding (I.17-02-002) and has repeatedly asked the Commission to close Aliso Canyon as soon as possible.<sup>16</sup> CEERT previously stated that:

The Commission must work with the CEC and the California Air Resources Board (CARB) to move forward with reducing gas demand in the Los Angeles Basin. Unless and until that happens, Aliso Canyon will never close, California will never achieve its GHG targets, and the State will always be subject to gas price spikes, resulting electricity price shocks, and increased risks to the reliability of both gas and electricity supplies.<sup>17</sup>

As such, CEERT appreciates that the Proposed Decision commits to evaluating “how to reduce and eventually eliminate reliance on the Aliso Canyon natural gas storage facility.”<sup>18</sup>

The Proposed Decision states: that the Commission will be developing

[The Commission] will be developing a more sophisticated modeling toolkit beginning in 2022, capable of local analysis, to help [the Commission] better understand how to advance the policy objectives of reducing reliance on Aliso Canyon, reducing dispatch of natural gas generation, and contributing to an ‘orderly’ retirement of the fossil-fueled generation fleet as it ages.<sup>19</sup>

Orderly retirement of Aliso Canyon is appropriate, but the Aliso Canyon proceeding has now been active for approximately five (5) years without much movement forward. In fact, recently, the Commission issued D.21-11-008, the Decision Setting the Interim Range of Aliso Canyon Storage Capacity at Zero to 41.16 Billion Cubic Feet which temporarily increased the storage capacity at Aliso Canyon from 34 billion cubic feet (bcf)

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<sup>16</sup> See, e.g., Opening Comments of Center for Energy Efficiency and Renewable Technologies on Proposed Decision and Alternate Proposed Decision, submitted on October 21, 2021, in I.17-02-002, at p. 4.

<sup>17</sup> *Id.*

<sup>18</sup> Proposed Decision, at p. 153.

<sup>19</sup> *Id.*, at p. 162.



to 41.16 bcf.<sup>20</sup> CEERT understood the reasoning behind this interim increase but expressed concern that this increase “allows the Commission to be less aggressive about cutting gas demand.”<sup>21</sup>

Similarly, CEERT is concerned that these Aliso Canyon discussions in this Proposed Decision will lead to further delay in planning for the closure of Aliso Canyon. Ultimately, the Commission must take all steps possible to move quickly to close Aliso Canyon and move away from reliance on gas.

## V. CONCLUSION

CEERT appreciates the opportunity to comment on this Proposed Decision. CEERT recommends that the Proposed Decision be modified to set a 30 MMT GHG target. In addition, the Commission should find that fossil-fueled resources will not be relied on in the future and that Aliso Canyon will be closed as soon as possible. CEERT urges the Commission to adopt CEERT’s recommendations addressed above and included in CEERT’s Proposed Modifications to the Alternate Proposed Decision’s Findings of Fact, Conclusions of Law, and Ordering Paragraphs, attached hereto as Appendix A.

Respectfully submitted,

January 14, 2022

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<sup>20</sup> D.21-11-008, at p. 22. (Ordering Paragraph 1).

<sup>21</sup> Opening Comments of Center for Energy Efficiency and Renewable Technologies on Proposed Decision and Alternate Proposed Decision, submitted on October 21, 2021, in I.17-02-002, at p. 2.

## APPENDIX A

### **CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED DECISION ADOPTING 2021 PREFERRED SYSTEM PLAN**

Center for Energy Efficiency and Renewable Technologies (CEERT) proposes the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs in the Proposed Decision Adopting 2021 Preferred System Plan, mailed in R.20-05-003 on December 22, 2021 (Proposed Decision).

Please note the following:

- A page citation to the 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**. The Commission should adopt a 30 MMT GHG target to meet California’s clean energy goals.

**NEW**. The Commission should find that fossil-fueled generation is not needed in the PSP.

**NEW**. Aliso Canyon must be closed as soon as possible.

#### **PROPOSED CONCLUSIONS OF LAW:**

9. [174] For the filing of individual IRPs in 2022, each LSE should be required to file a plan and a preferred portfolio that meets its share of ~~both the 38 MMT GHG target by 2030, as well as a the 30 MMT target~~ based on the 30 MMT sensitivity portfolio analyzed in this IRP cycle.

11. [174] The Commission should adopt the **38 30** MMT Core Portfolio, updated with the 2020 IEPR demand forecast and high EV assumptions, as the preferred system portfolio, ~~as further described in Section 4.~~

**PROPOSED ORDERING PARAGRAPHS:**

6. [178] The core portfolio based on the **38 30** million metric ton greenhouse gas target by 2030 ~~described in Section 4 of this decision~~, which includes the 2020 Integrated Energy Policy Report demand forecast utilizing the high electric vehicle assumptions, is adopted as the portfolio for the preferred system plan for 2021.

**NEW.** The Commission will not consider fossil-fueled generation in future iterations of the PSP.