

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.

**REPLY COMMENTS OF  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON  
PROPOSED 2023 PREFERRED SYSTEM PLAN AND TRANSMISSION PLANNING  
PROCESS PORTFOLIOS**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

Date: December 1, 2023

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submit these Reply Comments on Administrative Law Judge’s Ruling Seeking Comment on Proposed 2023 Preferred System Plan and Transmission Planning Process Portfolios, issued in (R.) 20-05-003 (Integrated Resource Plan (IRP)), on October 5, 2023 (ALJ Ruling). These Opening Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and the instructions contained in the October 5 ALJ Ruling.

**I.  
CEERT IS ONE OF SEVERAL PARTIES WHO SUPPORTS THE ADOPTION OF THE  
25 MMT CORE PORTFOLIO AS THE PREFERRED SYSTEM PLAN**

In Opening Comments, CEERT supports the Ruling’s recommendations regarding the 25 MMT core portfolio and recommended that the Commission “continue to adopt policies that assure that least-carbon resources are developed.”<sup>1</sup> Numerous other parties, including but not limited to American Clean Power – California (ACP-California), California Community Choice Association (CalCCA), California Energy Storage Alliance (CESA), California Environmental Justice Alliance and Sierra Club (CEJA/SC), the California Independent System Operator

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<sup>1</sup> CEERT Opening Comments, at p. 4.

(CAISO), Environmental Defense Fund (EDF), Golden State Clean Energy, LLC (GSCE), Natural Resources Defense Council and the Union of Concerned Scientists (NRDC/UCS), Southern California Edison Company (SCE) supports the Ruling’s recommendation to use a 25 MMT by 2035 electric sector greenhouse gas (GHG) target for the 2023 Preferred System Plan (PSP).<sup>2</sup>

CEERT concurs with ACP-California that adoption of the 25 MMT as the core portfolio represents the individual interests of load-serving entities (LSEs) and provides grid generators with a more diverse set of resources than the least-cost portfolio.<sup>3</sup> Furthermore, CEERT agrees with CalCCA that LSEs should have the “flexibility to optimize their portfolios by considering evolving inputs and assumptions, including load forecasts, estimates resource costs, transmission costs, and interconnection costs and timelines[.]”<sup>4</sup>

CEERT notes that detailed busbar mapping is required before the PSP is ready to be transmitted to the CAISO. As busbar mapping is advanced it should be recognized that there is a benefit of preserving optionality for load-serving entities (LSEs) in the selection of projects and technologies in the more distant future. CEERT is persuaded that there is likely to be significant advancements in geothermal technologies as well as in concentrating solar thermal power with its long duration thermal energy storage. Transmission expansion should be done in a manner that increases the opportunities to develop wind, geothermal and solar technologies, including concentrating solar thermal projects that prove to be least-cost, best-fit solutions.

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<sup>2</sup> See, e.g., ACP-California Opening Comments, at p. 1; CAISO Opening Comments, at p. 3; CalCCA Opening Comments, at p. 2; CEJA/SC Opening Comments, at p. 9; CESA Opening Comments, at p. 3; EDF Opening Comments, at p. 10; GSCE Opening Comments, at p. 6; NRDC/UCS Opening Comments, at p. 2; and SCE Opening Comments, at p. 1.

<sup>3</sup> ACP-California Opening Comments, at p. 2.

<sup>4</sup> CalCCA Opening Comments, at p. ii.

**II.**  
**CEERT REITERATES ITS RECOMMENDATION THAT A NEW SENSITIVITY CASE  
BE DEVELOPED TO ELIMINATE NATURAL GAS PLANTS AT SPECIFIC BUSBARS  
IN OR ADJACENT TO DISADVANTAGED COMMUNITIES IN THE LOS ANGELES  
BASIN FOR USE IN TRANSMISSION MODELING**

CEERT is one of many parties who are concerned about the continued reliance on natural gas plants, specifically those located in disadvantaged communities.<sup>5</sup> In Opening Comments, CEERT urged that the Commission adopt a new sensitivity case that would take into account the requirements of Senate Bill (SB) 887 and would analyze the locations of the natural gas plant retirements and local reliability impacts.<sup>6</sup> As CEERT argued, “[d]evelopment of new transmission projects into the Los Angeles Basin is needed to lessen the Commission’s continued assumption of more natural gas in the medium term.”<sup>7</sup>

Several parties share CEERT’s concerns about natural gas plants. For example, EDF “encourages Commission staff to prioritize conducting an analysis to identify which resources must be procured to facilitate the retirement of fossil resources in disadvantaged communities (‘DACs’).”<sup>8</sup> CEERT agrees with EDF that the:

Commission should devote additional resources to modeling the retirement of each fossil unit within close proximity to DACs, so the results can be incorporated into this IRP cycle. EDF further encourages the Commission to model a scenario that retires all natural gas plants in DACs by a date certain, and all other natural gas plants shortly thereafter. EDF believes that this should be a top priority of this IRP cycle.<sup>9</sup>

Similarly, CEERT agrees with CEJA/SC that pursuant to SB 887, “California must ‘substantially reduce’ the need for non-preferred resources in local capacity areas and requires

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<sup>5</sup> CEERT Opening Comments, at p. 8.

<sup>6</sup> *Id.*, at p. 7.

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

<sup>8</sup> EDF Opening Comments, at p. 1.

<sup>9</sup> *Id.*, at p. 2.

that these reductions occur ‘no later than 2035.’”<sup>10</sup> CEJA/SC recommend that retirement scenarios should prioritize DACs and air quality and the Commission should prioritize facilities in DACs and nonattainment areas.<sup>11</sup> NRDC/SC also support understanding the dynamics affecting the retirement of gas plants, in particular in DACs and underserved communities.<sup>12</sup> Lastly, PG&E supports the high gas retirement portfolio but a process with additional analytical work streams is needed to address the requirements of SB 887 and potential natural gas retirements.<sup>13</sup>

These comments underscore the importance of moving away from gas-fired electric generation in DACs, particularly in the Los Angeles Basin and elsewhere in California. As such, CEERT reiterates its recommendation that the new sensitivity case be developed in a manner that maintains system and local reliability but with less natural gas generation in or adjacent to DACs.

### **III. DUE TO THE NUMEROUS ISSUES WITH RESOLVE, THE COMMISSION MUST EVALUATE NEW MODELING OPTIONS**

As stated in Opening Comments, CEERT identified its numerous concerns with the RESOLVE model because the RESOLVE assumptions “have resulted in questionable resource portfolios that continue reliance on the natural gas fleet almost in perpetuity.”<sup>14</sup> CEERT ultimately recommended that “the Commission solicit proposals for more accurate capacity expansion models for future use in the IRP process.”<sup>15</sup>

Other parties highlight the current issues with RESOLVE modeling as it pertains to specific resources. For example, ACP-California argues that RESOLVE is not the right tool to

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<sup>10</sup> CEJA/SC Opening Comments, at p. 23.

<sup>11</sup> *Id.*, at pp. 13-14.

<sup>12</sup> NRDC/UCS Opening Comments, at p. 4.

<sup>13</sup> PG&E Opening Comments, at p. 5.

<sup>14</sup> CEERT Opening Comments, at pp. 8-9.

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

plan for and integrate long lead time (LLT) resources with varying system value and uncertain costs profiles.<sup>16</sup> GCSE has concerns about RESOLVE, particularly as to solar, but also argues that “RESOLVE is not designed to make meaningful locational decisions that properly assess land use and environmental policies...”<sup>17</sup>

Lastly, CEERT agrees with EDF that the Commission should evaluate options for more robust land availability modeling. In addition, CEJA/SC correctly state that “there is a difference between the busbar mapping criteria and the criteria currently used in the RESOLVE case. These criteria need to be consistent and there should be transparency about how the criteria are used to determine which facilities retire.”<sup>18</sup>

Given the well-known issues with RESOLVE, the Commission should develop a new model that corrects these flaws.

#### **IV. CONCLUSION**

CEERT appreciates the opportunity to submit these Reply Comments.

Respectfully submitted,

December 1, 2023

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<sup>16</sup> ACP-California Opening Comments, at p. 4.

<sup>17</sup> GCSE Opening Comments, at pp. 1 and 6.

<sup>18</sup> CEJA/SC Opening Comments, at p. 14.