

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  
PROPOSED DECISION ADOPTING 2023 PREFERRED SYSTEM PLAN AND RELATED  
MATTERS, AND ADDRESSING TWO PETITIONS FOR MODIFICATION**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

February 5, 2024

BEFORE THE PUBLIC UTILITIES COMMISSION  
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Order Instituting Rulemaking to Continue  
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PROPOSED DECISION ADOPTING 2023 PREFERRED SYSTEM PLAN AND RELATED  
MATTERS, AND ADDRESSING TWO PETITIONS FOR MODIFICATION**

Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification (Proposed Decision), mailed in the Integrated Resource Planning (IRP) proceeding on January 10, 2024. 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.

**I.  
CEERT IS ONE OF MANY PARTIES WHO SUPPORT THE ADOPTION OF A 25  
MMT CORE PORTFOLIO AND THE HIGH GAS RETIREMENT SENSITIVITY**

In Opening Comments, CEERT supported the Proposed Decision's adoption of the core Preferred System Plan (PSP) portfolio to meet a statewide 25 MMT GHG target for the electric sector by 2035 and the high gas retirement sensitivity to be analyzed in the 2024-2025 California Independent System Operator (CAISO) Transmission Planning Process.<sup>1</sup> Numerous other parties, including but not limited to the American Clean Power – California (ACP-California), California Community Choice Association (CalCCA), California Energy Storage Alliance (CESA), California Wind Energy Association (CalWEA), Environmental Defense Fund (EDF),

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<sup>1</sup> CEERT Opening Comments, at pp. 3-4.

Pacific Gas and Electric Company (PG&E), Solar Energy Industries Association and Large-scale Solar Association (Joint Solar Parties), Southern California Edison Company (SCE) supported the adoption of the 25 MMT GHG as the core PSP.<sup>2</sup>

CEERT concurs with the Joint Solar Parties that the “25 MMT goal in 2035 aligns with the lowest (most ambitious) projection for electric sector GHG emissions in the California Air Resources Board’s updated AB 32 Scoping Plan.”<sup>3</sup> CalCCA echoes this sentiment by supporting the Commission “for adopting a portfolio that will keep the state on track with its climate and reliability goals.”<sup>4</sup>

CEERT appreciates the position taken by California Environmental Justice Alliance and Sierra Club (CEJA/SC) that “the Commission must commit to an even lower target and plan for the transition to a zero-emissions future.”<sup>5</sup> CEERT recommends that the Commission evaluate use of a lower GHG target in the next IRP cycle. In addition, CEERT agrees with EDF that the Commission should order staff to prioritize development of local area modeling capabilities.<sup>6</sup>

CEERT also agrees with parties such as CalCCA, PG&E, and SCE who approve the high gas retirement sensitivity for use in the 2024-2025 TPP.<sup>7</sup> CEERT agrees with CalCCA that “planning for potential future natural gas plant retirements is an important step for California to meet its Senate Bill 100 requirements and GHG emissions reduction goals [citations omitted].”<sup>8</sup>

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<sup>2</sup> See, e.g., ACP-California Opening Comments, at p. 1; CalCCA Opening Comments, at pp. 4-5; CESA Opening Comments, at p. 3; CalWEA Opening Comments, at p. 1; EDF Opening Comments, at p. 2; PG&E Opening Comments, at p. 1; Joint Solar Parties Opening Comments, at pp. 1-2; and SCE Opening Comments, at p. 1.

<sup>3</sup> Joint Solar Parties Opening Comments, at p. 2.

<sup>4</sup> CalCCA Opening Comments, at p. 5.

<sup>5</sup> CEJA/SC Opening Comments, at p. 1.

<sup>6</sup> EDF Opening Comments, at pp. 3-4.

<sup>7</sup> See, e.g., CalCCA Opening Comments, at pp. 4-5; PG&E Opening Comments, at p. 1; and SCE Opening Comments, at p. 1.

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

## II. IMPROVEMENT IN CAPACITY EXPANSION AND PRODUCTION COST MODELING IN THE IRP PROCESS IS URGENTLY NEEDED THE USE OF RESOLVE AND SERVM CONTINUES TO BE OF CONCERN TO CEERT AND OTHERS

CEERT, CEJA/SC, and SCE identify issues with the modeling tools used in the IRP process.<sup>9</sup> CEERT in our opening comments identified large discrepancies in the GHG emission calculations between RESOLVE and SERVM.<sup>10</sup> CEERT agrees with SCE's recommendation that the Commission direct staff to make improvements to the capacity expansion and production cost modeling.<sup>11</sup> SCE correctly highlights the general issues related to the IRP modeling process and methodology which are "(1) the RESOLVE capacity expansion model produces suboptimal resource portfolios; and (2) a significant gap exists between the results from the SERVM production cost simulation and the RESOLVE capacity expansion model."<sup>12</sup> CEERT supports SCE's recommendation that staff should be directed "to improve their modeling approaches and practices for both RESOLVE capacity expansion and SERVM production cost simulation."<sup>13</sup>

CEJA/SC argues that the "decision to rely on RESOLVE for GHG calculations instead of SERVM is not supported by the findings in the Proposed Decision and therefore erroneous."<sup>14</sup>

CEJA/SC also state:

Here, the Proposed Decision fails to provide any findings that justify relying on the less-accurate and less-robust RESOLVE model for GHG estimates when the PD relies on SERVM for all other aspects of the decision. It further fails to conduct the necessary verification to justify relying on the GHG projection in RESOLVE consistent with the requirements in Sections 1821 and 1822 of the Code. Given these failures, the Proposed Decision should be changed to rely on SERVM for its GHG calculations.<sup>15</sup>

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<sup>9</sup> See, e.g., CEERT Opening Comments, at p. 7; CEJA/SC Opening Comments, at p. 1; and SCE Opening Comments, at p. 1.

<sup>10</sup> CEERT Opening Comments, at p. 7.

<sup>11</sup> SCE Opening Comments, at p. 13.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> CEJA/SC Opening Comments, at p. 6.

<sup>15</sup> *Id.*, at p. 7.

CEERT agrees with CEJA/SC that the RESOLVE capacity expansion model is problematic but does not agree that the SERVVM should necessarily be retained.

Instead, CEERT recommends that the Commission needs to carefully evaluate the usefulness of both modeling tools to be used in future iterations of the IRP process.

### **III. CONCLUSION**

CEERT appreciates the opportunity to comment on this Proposed Decision. CEERT urges the Commission to adopt CEERT's recommendations addressed above and included in CEERT's Opening Comments.

Respectfully submitted,

February 5, 2024

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