

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Integrate
and Refine Procurement Policies and
Consider Long-Term Procurement Plans

Rulemaking R-12-03-014

**PREHEARING CONFERENCE STATEMENT
OF THE GREEN POWER INSTITUTE**

April 6, 2012

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Introduction

Pursuant to the new Long-Term Procurement Plan (LTPP) OIR, dated March 27, 2012, the Green Power Institute (GPI) respectfully submits this *Prehearing Conference Statement of the Green Power Institute*, in R.10-05-006, the **Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans**.

The new LTPP Proceeding opens the next biennial cycle of long-term procurement planning for California's three large IOUs, this one to cover the planning horizon 2012 – 2022. As such, it builds on a great deal of work that has already been completed, and/or is on-going. Indeed, the Preliminary Scoping Memo for the new Proceeding reads very much like the scope that was followed in the previous LTPP cycle, Proceeding no. R.10-05-006.

The February 21, 2012, PD closing R.10-05-006, described the settlement resolving the core issue of the planning exercise as follows: “The proposed settlement is, in essence, a punt (PD, pg. 5).” All of the Commission-specified scenarios for the 2010 LTPPs produced findings of no need for new resources for purposes of integrating renewables through 2020, while some of the utility-developed scenarios pointed to a possible need. As far as long-term, system-resource planning is concerned, this LTPP cycle, like the previous one, will be focused on improving and refining our understanding of the need, if any, for new fossil generating resources for purposes of renewables integration, OTC replacement, systems reliability, or for any other reason.

During R.10-05-006, we pointed out several times that, despite the very high level of sophistication that went into the analysis of integration needs for increased

renewables contributions to the grid, the results were fatally flawed by both a lack of consideration of a renewables scenario dominated by baseload renewables resources, and by the lack of any consideration of the panoply of new technologies that are likely to become available within the 10-year planning horizon of the LTPP for providing grid stability and control without the use of fossil fuels, including smart-grid controls, storage, and electric vehicles. We hope that baseload-heavy renewables scenarios, and future technologies for improved grid operations will be properly considered in the 2012 system LTPPs.

In the discussion of the long-term system resource plan on page 7 of the OIR, the text lists five electric system needs that have to be addressed, in addition to the overriding requirement to maintain an adequate reserve margin. In the opinion of the GPI, two of the points, numbers 1 (integrate renewable resources), and 4 (respond to variations in load), should be merged into a single item: respond to variations in supply and load. For too long this Commission, as well as the CAISO, the CEC, and many other interested institutions, have looked at the issue of intermittency of wind and solar generators as an issue that is separate from other issues related to grid operations and stability. In fact, the grid operator's job is to keep the grid operating and in balance in response to all sources of instability, whether load or supply based. We propose that in this new round of the LTPPs, a comprehensive, systems approach be taken to grid-operations planning, rather than singling out the needs of renewables integration in isolation from other grid stability and operational issues.

The OIR suggests that the Commission might consider extending the planning horizon for the LTPPs from the current ten years to twenty years. The GPI believes that there are indeed long-term planning considerations that extend beyond the ten-year timeframe currently used, but we are concerned that any analysis that extends beyond ten years not be done at the same level of detail that is currently being applied to the ten-year LTPP timeframe. The OIR also suggests

that the 2012 LTPPs might consider scenarios in addition to the 33-percent scenarios that could attain the goals of AB 32. In addition to the possible additional scenarios that are discussed in the OIR, we would like the Commission to consider including a high-renewables, 40-percent RPS scenario.

The GPI is also interested in the Commission's ongoing efforts to oversee the utilities' procurement of greenhouse-gas emissions compliance instruments, which they will have to do beginning in 2013 when the state's pioneering Cap-and-Trade program for greenhouse-gas emissions goes into effect.

We look forward to working with the Commission and the parties on the 2012 LTPP system plans.

Dated April 6, 2012, at Berkeley, California.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Gregory Morris", is written above a horizontal line.

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