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 12-03-014 (Filed March 22, 2012)

TECHNICAL COMMENTS OF L. JAN REID ON ENERGY DIVISION'S PROPOSED SCENARIOS

I. Introduction

Pursuant to Nathaniel Skinner's September 6, 2012 email, I submit these technical comments on the Energy Division's proposed scenarios and sensitivities (proposed scenarios) in the Long Term Procurement Plan (LTPP) proceeding.

On August 29, 2012, Energy Division staff requested that parties provide comments on a series of six technical questions. I respond to these questions, which are shown in italics, in Sections II-VII below.

II. Question 1

Are there any technical errors in the proposed scenarios, scenario tool, or 33% RPS Calculator?

Answer: See below. I have no position on the scenario tool or the RPS calculator at this time.

III. Question 2

Staff has assumed a resource with no current COD estimate in the Energy Commission's list of siting cases, (http://www.energy.ca.gov/sitingcases/ ALL_PROJECTS.XLS), but meeting other criteria, would be online by 2017. Is this a reasonable assumption? If not, please provide a year and justification.

Answer: Staff's proposal is not reasonable and could lead to the unnecessary over procurement of resources. I used the above-referenced document and calculated that projects came online an average of 809 days after the project was approved. Therefore, I recommend that staff assume a COD which is 809 days after a project is approved. I note that staff is assuming a COD that is almost double the historical average time between the project approval date and the online date.

IV. Question 3

If Staff could not locate a COD for an existing resource, Staff assumes a COD of 1/1/1980. Is this a reasonable assumption? If not, please provide a year and justification from a public source.

Answer: This is not a reasonable assumption. As explained in Section III, projects have come online in an average of 809 days after a project was approved. Therefore, Staff should assume a COD which is 809 days after the project approval date.

V. Question 4

Is it appropriate to group renewable resources such as geothermal or biomass in with conventional generators for purposes of estimating resource retirements?

Answer: Yes. However, resource retirements should be adjusted using the percentage of past retirements which came to fruition. Often, resources which are listed as potential retirements are not retired. Fossil fuel plants are often repowered and both renewable and non-renewable plants have an actual life which is greater than the typically assumed life of 30 years. Economic retirements often do not occur due to resource adequacy requirements, plant repowering, and other factors.

VI. Question 5

Is a 19% conversion from nameplate small PV capacity to peak production appropriate?

Answer: I have no position on this issue at this time.

VII. Question 6

Please provide a prioritization of staff's proposed scenarios and portfolios, and briefly (no more than 1 page) explain the rational for this prioritization.

Answer: I recommend that the following prioritization be used: Base, Environmental, Early Nuclear Retirement, Low Load, High Load, and High DG. Early nuclear retirement should include both San Onofre and Diablo. Therefore, I have deleted the SONGS early retirement scenario. I have also deleted the No New DSM and Replicating TPP scenarios.

I note that early nuclear retirement, not just early retirement of San Onofre, is an issue in this proceeding. Therefore, I recommend that an Early Nuclear Retirement scenario be performed which includes both the Diablo and San Onofre facilities.

I have deleted the "No New DSM" and the "Replicating TPP" scenarios because they are based on unrealistic assumptions. There is no point in wasting Commission resources on unrealistic scenarios. The Commission is committed to an expansion of demand side management via both Commission decisions and the Energy Action Plan. The Replicating TPP scenario assumes that the Commission will terminate preferred resource policies (other than RPS) and reduce demand response. The Commission cannot unilaterally terminate its preferred resource policies since these policies are part of an agreement between the CPUC and the California Energy Commission. (See 2008 Update, Energy Action Plan)

It is highly unlikely that both the CPUC and the CEC will agree to change the Energy Action Plan and eliminate their DSM and preferred resource policies. Therefore, these two scenarios (No New DSM and Replicating TPP) should be eliminated from consideration by the Commission.

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Dated September 8, 2012, at Santa Cruz, California.

/s/

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