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)

Clean Coalition Additional Technical Comments on Long Term Procurement Planning (LTPP) Scenarios

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The Clean Coalition respectfully submits additional comments as directed by the Energy Division on Thursday, September 6th.

1. 33% Renewable Portfolio Standard (RPS)

As stated continuously throughout this proceeding, the Clean Coalition believes that the 33% RPS goal should be the highest priority. In our previous comments, we recommended that there be a buffer placed on each of the scenarios to ensure that each scenario meets or exceeds the RPS goal, as we believe that even under the best of circumstances, 33% will not be met. CEERT also noted in their comments that using a fixed RPS across all scenarios could possibly result in reducing the 33% RPS, especially as it relates to high demand scenarios. (pg.1). The NRDC also recommended that there be a scenario developed that greatly exceeds the RPS goal (pg.1). All of these comments and recommendations are made with the same intent to reach **and** exceed the RPS goal laid out by the Governor, as it is meant to be a "floor, not a ceiling." (NRDC, pg. 1). The Energy Division staff should take every precaution to ensure that each scenario meets and exceeds this goal in 2020 in alignment with ongoing RPS trajectories toward the State's stated future goals, including 80% by 2050, as the Clean Coalition has previously supported and was also supported by the Sierra Club in their comments that the "scenarios should include some projected growth beyond 2020." (pg. 2).

The following information relates to technical errors or resources excluded from the Proposed Scenarios, listed as Question #1 from the Energy Division template of August 31st.

1. Governor Brown's 12,000 MW Distributed Generation Goal

The Clean Coalition agrees with both CEJA and the Community Environmental Council that the 12,000 MW distributed generation goal was left out of the analysis completely. We continue to emphasize that the Commission should prioritize this goal, especially as it relates to the high DG scenario, as California energy policy is shifting to support the rigorous use of preferred resources like distributed generation. As we stated in our primary comments, the California Energy Commission has included this goal in the Integrated Energy Policy Report (IEPR) and strives to meet this goal in their capacity, as should the CPUC.

2. The Scenarios Do Not Properly include Distributed Generation

4,021 MW of small scale PV does not represent a realistic High DG scenario. Currently authorized wholesale DG (WDG) procurement already exceeds 3,000 MW (RAM (1,299 MW), SB 32 (750 + 250 MW), SCE SPVP (250 MW), PG&E PV program (500 MW)), and an assumption of less than 1000 additional MW of DG over the next 10 years would more accurately be described as a Low DG scenario. Likewise, the other scenarios assume that DG capacities below even the levels of WDG already authorized.

The modeling reasonably assumes that the listed DG will be fully deployed by 2015, but unrealistically assumes no additional small scale PV assumed after 2015. With the falling costs of PV, a trajectory should be assumed for continued procurement and development beyond 2015.

We also note that the High DG scenario assumes more energy will be delivered over the transmission system than in the other scenarios, which by contrast rely on large transmission dependent generation facilities. This is simply unreasonable. Small scale PV is rapidly deployable largely because it can be situated close to load and is interconnected directly to the local distribution system, avoiding use of transmission. WDG procurement programs typically impose deployment timeframes that exclude transmission upgrades, severely limit the allowable transmission upgrades for project eligibility, or effectively exclude such projects due to the non-reimbursable nature of transmission related costs for WDG projects. The Clean Coalition generally recommends defining DG projects as those facilities contributing less than the total coincident minimum load on the local distribution system, meaning that such projects will not send power onto the transmission system. For the LTPP RPS calculator, we find the assumption

that small PV is 100% delivered by transmission to be wholly inappropriate and recommend that it conform to existing actual planned transmission use, and in the future that small scale DG be categorically defined as non-transmission generation.

This information relates to the question of priority of scenarios/sensitivities, listed as Question #6 on the Energy Division template of August 31st.

3. ***High Distributed Generation (Scenario #3)***
   The Clean Coalition recommends that this scenario be given priority over Base Case and that preferred resources should be distinct for scenario planning purposes

The Clean Coalition recommend in our primary comments that all scenarios with high levels of preferred resources should be of utmost priority in this proceeding in order to meet state goals. Our recommendation of separating preferred resources for purposes of planning falls in line with NRDC's recommendation of separating DG other preferred resources in these scenarios in order to "reduce the issue of confounding factors inhibiting are ability to understand different resources' impacts on procurement planning and grid operability." (pg. 1). We are in full agreement; in order to fully understand the benefits and advantages of preferred resources, we must separate them in these scenarios for planning purposes.

4. ***SONGS (Sensitivities 1B and 1C)***
   Clean Coalition recommends consolidation of 1B and 1C and placing this as a high priority after the High DG Scenario

The Clean Coalition recommends that the sensitivities related to the nuclear generating station at San Onofre be combined into a single sensitivity to alleviate confusion. The Clean Coalition believes that the situation regarding SONGS and other nuclear generating stations is unclear and whether or not SONGS will be returning online has yet to be determined. We *must* be prepared for the possibility that SONGS may not return online and to actively plan for its return can result in possible energy shortfalls in the region, as was also noted by the Community Environmental Council (pg. 3). The Nuclear Retirement sensitivity must be highly prioritized since decisions on SONGS need to be made quickly and we must be prepared in this LTPP to effectively plan for the long-term regarding this particular situation.

Specific comments on the Nuclear Retirement Sensitivities 1B and 1C include:

- The assumptions that are made on the nuclear retirement timeline should reflect the possibility that SONGS will not return online at all.
    - Planning for retirement in 2015 is insufficient planning since the high retirement possibility should assume SONGS remains offline.
- The Nuclear Retirement Sensitivity (with Clean Coalition recommended changes) should be placed as high as possible behind the High DG scenario (which we previously recommended should be highly prioritized in addition to other scenarios that encourage the use of preferred resources).