

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
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COMMENTS OF THE UTILITY REFORM NETWORK IN RESPONSE
TO THE ASSIGNED COMMISSIONER RULING
SETTING FORTH STANDARDIZED PLANNING SCENARIOS



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**COMMENTS OF THE UTILITY REFORM NETWORK IN RESPONSE
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Pursuant to the September 25th Assigned Commissioner Ruling, The Utility Reform Network (TURN) offers the following comments on the Long Term Procurement Plan (LTPP) revised scenarios and planning assumptions.

TURN supports the use of various high, low and other scenarios that differ from the Commission's Base Scenario in the analysis in Track II of this LTPP of potential system resource needs. However, TURN suggests the Commission, in any final adoption of such scenarios, reiterate clearly its commitment to key assumptions of its Base Scenario – many of which reflect specific state energy planning policies and goals – and the role of alternate scenarios as means of testing “what happens if” rather than as principal planning scenarios. TURN is concerned that, without such guidance, other parties to this process will flout the results of a single favorite sensitivity as being somehow definitive, regardless of possible different results from other scenarios and sensitivities.¹

At this time, TURN only has comments about one aspect the specific Planning Scenarios proposed in the Assigned Commissioner's Ruling (ACR): the construction and possible use of the Stress Peak Case and the Replicating TPP Scenario.² Briefly, as TURN reads the ACR's Attachment and reviews the Updated Scenario Tool and Matrix posted September 27,³ it appears that the Stress Peak Case is developed by substituting the forecast “1-in-5” peak loads for the “Mid” case peak loads and that no other changes are made to energy loads or resources' capacity. The movement from the Stress Peak

¹ The CAISO's ongoing use of the 2010 LTPP's High Load case as being *the* relevant planning scenario is a prime example of such misuse of the Commission's past scenarios.

² TPP refers to the CAISO's Transmission Planning Process.

³ The scenario tools are available at

http://www.cpuc.ca.gov/PUC/energy/Procurement/LTPP/ltp_history.htm.

Sensitivity to the Replicating TPP Scenario is then achieved by eliminating from resources the capacity and energy from incremental amounts of Energy Efficiency (EE), Small Photovoltaics (Small PV) and Demand-side Central Heat and Power (D-CHP), though a small part of such reductions are offset by increases in renewable capacity.⁴

Of the above three scenarios, the Attachment to the ACR proposes only the Base Scenario and the Replicating TPP Scenario as being “high priority” and consigns the Stress Peak Sensitivity to a “second tier” of scenarios.⁵ TURN is concerned that the gap between the Base and “High” scenario is so large, and the construction of the “High” scenario is so controversial, that the comparison of the results of these two cases will not provide meaningful results. For example, the “net system balance” shown in the scenario tools – which TURN takes as akin to a Planning Reserve Margin (PRM) – is nineteen percent in the Base Scenario and only seven percent in the Replicating TPP Scenario in 2022.⁶ These two scenarios thus widely bound the current PRM of fifteen percent and comparison of the results may not produce meaningful or actionable results. For example, based solely on these data, one scenario leads to the conclusion that there will still be a large surplus in 2022 and the other leads to the conclusion that there will be significant need before 2022. TURN suggests that another intermediate scenario also be considered, such as the Stress Peak Sensitivity, which has effectively a thirteen percent PRM in 2022.⁷

TURN is also concerned that the two “1-in-5 load” scenarios are specified by using a higher peak load *but the same energy load* as the Base Scenario. The impact of “1-in-5” peak load on resource need in such a peak hour might be testable using these data. But

⁴ The Attachment to the ACR states that the Replicating TPP Scenario introduces “retirement forecasts for existing generation” (p. 10). However, these retirement forecasts appear the same as the Base Scenario and the Stress Peak Sensitivity in the “Scenarios Summary” Excel file cited in the prior footnote.

⁵ *Id.*

⁶ See row 46 of the relevant worksheets of the Scenarios Summary Excel file.

⁷ *Id.*

it is not clear how these “1-in-5” peak loads can – or even should – be combined with Base Scenario energy for the detailed hourly modeling the CAISO is planning to perform to assess other potential system needs. TURN believes the development and use of “1-in-5” peak loads needs further specification before adoption. For example, the Commission could specify that the two scenarios based on “1-in-5” load will only be used to analyze resource needs in the peak hour, and that any CAISO hourly modeling of the impact of potentially higher energy loads be based on the California Energy Commission’s high forecast of energy loads.⁸

TURN appreciates the opportunity provide these comments, even at this late date in the scenario development process.

Respectfully submitted,

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⁸ See the Assumptions worksheet of the Scenario Tool file.