

**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)

**WOMEN'S ENERGY MATTERS
COMMENT ON STANDARDIZED PLANNING SCENARIOS**

OCTOBER 5, 2012

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**WOMEN'S ENERGY MATTERS
COMMENT ON STANDARDIZED PLANNING SCENARIOS**

Women's Energy Matters (WEM) appreciates this opportunity to comment on the Revised Standardized Planning Scenarios ("Scenarios"), pursuant to the September 20, 2012 ACR, the Sept. 25, 2012 Revised ACR.

We are happy to see that some revisions were made to the draft Scenarios, pursuant to technical comments, in particular eliminating the no new DSM scenario.

We recommend two more revisions. First: include the "Early Nuclear Retirement" scenario, which for unexplained reasons, is "not recommended for modeling within the LTPP cycle at this time." Scenarios, p. 11. The long, unplanned outage of the San Onofre Nuclear Waste Generating Station (SONWGS) this year should make it completely clear that it is foolish to assume that aging nuclear power plants can be reliable. California needs a plan for how to keep the grid stable whenever these very large generators take themselves offline, which can (and does) occur without warning.

All the Scenarios and Sensitivities except the early SONGS retirement assume "low" retirement for nuclear power, with both SONWGS and DCPD "online and in operation through the planning horizon." Instead, the Scenarios should all make the reasonable, prudent, and likely assumption that nuclear power plants will NOT be available. Ibid, p. 13.

In addition to unplanned outages, some *planned* outages may unexpectedly become much longer, because of additional problems that are found inside — for example in SONWGS Unit 2. In the next few years, PG&E plans to replace 1970's era analog systems with digital technology for monitoring and controlling the reactors in the Diablo Canyon Nuclear Power Plant (DCPP). This is only the second such replacement in the U.S. and the experimental nature of this exercise could bring surprises.

Secondly, WEM recommends adding a sensitivity for *additional* energy efficiency as well as demand response. D1201033 stated:

COL 7. Satisfying Commission-established targets for certain resources does not alter their place in the loading order.

None of the Scenarios or sensitivities includes the possibility that additional EE will materialize, beyond the current targets. This is unduly conservative.¹

WEM believes it is likely during the 10-year planning horizon that California will be inspired to catch up to the East Coast and begin to allow EE along with other DSM to compete in procurement solicitations to fill actual resource needs. EE providers that are allowed to compete on a level playing field against supply-side resources would be able to provide significant capacity (and energy) at low prices compared to other resources.

This is realistic and likely — EE resources along with Demand response and DG are already competing in forward capacity auctions in ISO-New England and PJM. It is unlikely that California, which prides itself on EE leadership, would continue to exclude these resources from procurement.

While ratepayer-funded utility programs might be allowed to bid in such solicitations, non-utility programs would (and should) be allowed to bid also. The expansion of “financing” programs, which were left out of the Navigant study (and the Incremental EE study) is likely to drive increases in both utility and non-utility programs.

The Incremental EE study focused primarily on the continuation of utility-run EE programs, while independent, non-utility programs were left out. However, non-utility programs have grown in recent years and are likely to continue to grow, with the advent of programs by Community Choice Aggregators (CCAs) and “Regional Energy Networks” (RENs).

For these reasons, WEM believes the energy efficiency assumptions are too low. We recommend adding *at least* 1000 MW of additional EE to the 10-year totals (which is the amount of EE that won just the first ISO-New England Forward Capacity Auction, in 2009).

Dated: OCTOBER 5, 2012

Respectfully Submitted,

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¹ High EE is now calculated as [IOU] savings + naturally occurring savings + low BBEES.

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