

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)

COMMENTS OF THE UTILITY REFORM NETWORK ON THE PROPOSED
DECISION OF ALJ GAMSON ADOPTING TRACK 2 STANDARDIZED
PLANNING ASSUMPTIONS AND SCENARIOS



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Pursuant to Rule 14.13 of the Rules of Practice and Procedure, The Utility Reform Network (TURN) submits these opening comments on the Proposed Decision (PD) of ALJ Gamson on the Track 2 standardized planning assumptions and scenarios. TURN offers two concerns that should be addressed in the final decision.

First, the PD would assume that the San Onofre Nuclear Generating Station (SONGS) retired as part of the “Mid” scenario.¹ The previous “Mid” scenario assumed continued SONGS operation until the end of its current federal license. While TURN agrees that the future operational prospects at SONGS have changed since the initiation of the LTPP, it is not appropriate to assume the permanent shutdown of both units under the “Mid” scenario. On December 6, SCE notified the Commission that SONGS Unit 2 had been out of service for 9 consecutive months and could return to operations (at a 70% power level) sometime in 2013 under a proposal already submitted to the US Nuclear Regulatory Commission.² Given that SCE has declared its intention, at a minimum, to bring Unit 2 back online in 2013, it would be unreasonable to assume that neither Unit 2 nor Unit 3 are available in 2015 under the “Mid” Scenario. Instead, TURN urges the Commission to adopt a split-shutdown assumption – for purposes of the “Mid” Scenario, Unit 2 should be assumed to operate and Unit 3 should be assumed to remain shutdown. This approach would allow the Commission to model a realistic outcome that represents an appropriate mid-point between full SONGS operation and permanent shutdown.

¹ PD, page 7.

² SCE letter to CPUC Executive Director Paul Clanon, December 6, 2012, cc'ed to all parties in I.12-10-013.

Second, TURN continues to be concerned that about the construction and possible use of the Replicating TPP Scenario. As stated in its October 5 Comments on the September 25th Assigned Commissioner Ruling, 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.³ However, the gap between resource needs in the Base and the Replicating TPP scenarios is so large that the comparison of the results of these two cases may not provide meaningful results.

As noted in TURN’s Comments, 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 2022.⁴ These two scenarios thus widely bound the current PRM of fifteen percent and comparison of the results of the analyses of these two scenarios 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 again suggests that an intermediate scenario also be given higher priority. TURN’s October 5 comments noted that the Stress Peak Sensitivity appears to have a thirteen percent PRM in 2022.⁵

If the Commission produces such widely divergent results as part of the scenario process, the results could provide little real-world guidance in resource-specific applications. Parties seeking opposing outcomes would be able to find support for their recommendation in at least one of the adopted scenarios. The LTPP process would

³ *Comments of The Utility Reform Network in Response to the Assigned Commissioner’s Ruling Setting forth Standardized Planning Scenarios*, A.12-03-014, October 5, 2012, p. 1.

⁴ *Id.*, p. 2.

⁵ *Id.*

thereby yield yet another inconclusive, and relatively unhelpful, set of disparate future need projections. The result would be confusion rather than clarity.

TURN also remains concerned that the two scenarios based on “1-in-5 peak load” scenarios – Replicating TPP and Stress Case – 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 it is not clear how these “1-in-5” peak loads can – or even whether they should – be combined with Base Scenario energy for the detailed hourly modeling the CAISO may perform to assess other potential system needs. TURN believes the development and use of peak and energy loads in high needs cases needs further review before adoption. The Commission should consider alternatives to the proposed approach, such as specifying 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 hourly modeling of the impact of higher energy loads be based on the California Energy Commission’s high forecast of energy loads.

TURN appreciates the opportunity provide these comments on the Proposed Decision.

Respectfully submitted,

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