

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 NOTICE OF EX PARTE COMMUNICATION

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February 8, 2013

## CLEAN COALITION NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rule 8.4 of the California Public Utilities Commission's Rules of Practice and Procedure, the Clean Coalition hereby gives notice of the following ex parte communication with Allison Brown, advisor for Commissioner Catherine J.K. Sandoval, Ted Ko, Associate Executive Director, Clean Coalition and Kenneth Sahn White, Economics and Policy Analysis Director, Clean Coalition (via telephone).

The meeting commenced on Tuesday, February 5<sup>th</sup>, 2013 at the California Public Utilities Commission (505 Van Ness Avenue, San Francisco, CA) at 11:00am and lasted approximately 30 minutes. The meeting was initiated by the Clean Coalition.

Points of discussion included the Clean Coalition's recommendations on the "Decision Authorizing Long-Term Procurement for Local Capacity Requirements" (issued December 21<sup>st</sup>, 2012). Specific recommendations discussed include:

- The Commission should eliminate the procurement target of 1,000 MW for fossil fuel generation, as this is not compliant with the State's established Loading Order, established goals such as the GHG reduction mandated by AB 32, the RPS targets or the Governor's 12 GW of Distributed Generation (DG) goal;
- We support the direction of the PD that no RFO requirements explicitly or implicitly exclude any preferred resources, and strongly recommend thorough application of this standard in review of RFO requirements;
- We support the strict adherence to the State's established Loading Order for preferred resources;
- We encourage the Commission to ensure, through policy and coordinated action in other proceedings, that market mechanisms are established to develop these preferred resources to meet local capacity requirements (LCR) within the required scale and schedule;
- In evaluating cost effectiveness, we recommend that cost, performance, and grid application data be ordered collected for Commission and public review to assist

in determination of the most cost effective future application of options such as distributed storage facilities and services;

- Renewable procurement targets should be treated as a floor, not a ceiling and preferred resources should be procured at an ongoing basis. SCE should be meeting and exceeding preferred resource targets to meet established State goals;
- We strongly support the rigorous use of DG within this track in order to meet LCR goals;
- Demand Response (DR) should be further recognized as an important resource in meeting LCR needs by the ISO and utilities and should be included in future modeling. In addition, aggregated Electric Vehicle DR, automated DR and residential DR can be considered as additional DR potential and should be further analyzed

Mr. Ko and Mr. White provided Ms. Brown with a Brief the includes a summary of the recommendations as well as a discussion regarding the benefits of increased distributed generation and intelligent grid levels (which is included as Attachment "A").

Respectfully submitted,

/s/Dyana Delfin-Polk  
Dyana Delfin-Polk

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Dated: February 8, 2013

## ATTACHMENT "A"

### The Clean Coalition recommends the following for LTPP Track1 regarding Local Capacity Requirements

- The Commission should eliminate the procurement target of 1,000 MW for fossil fuel generation, as this is not compliant with the State's established Loading Order, established goals such as the GHG reduction mandated by AB 32, the RPS targets or the Governor's 12 GW of Distributed Generation (DG) goal;
- We support the direction of the PD that no RFO requirements explicitly or implicitly exclude any preferred resources, and strongly recommend thorough application of this standard in review of RFO requirements;
- We support the strict adherence to the State's established Loading Order for preferred resources;
- We encourage the Commission to ensure, through policy and coordinated action in other proceedings, that market mechanisms are established to develop these preferred resources to meet local capacity requirements (LCR) within the required scale and schedule;
- In evaluating cost effectiveness, we recommend that cost, performance, and grid application data be ordered collected for Commission and public review to assist in determination of the most cost effective future application of options such as distributed storage facilities and services;
- Renewable procurement targets should be treated as a floor, not a ceiling and preferred resources should be procured at an ongoing basis. SCE should be meeting and exceeding preferred resource targets to meet established State goals;
- We strongly support the rigorous use of DG within this track in order to meet LCR goals;
- Demand Response (DR) should be further recognized as an important resource in meeting LCR needs by the ISO and utilities and should be included in future modeling. In addition, aggregated Electric Vehicle DR, automated DR and residential DR can be considered as additional DR potential and should be further analyzed

### The majority of LCR in Southern California can be satisfied with local preferred resources, not conventional generation

The following examples relate to research conducted in SDG&E's territory. If scaled to SCE, these numbers would be larger, as SCE's demand is three to four times greater than SDG&E.

- Distributed Generation (DG): 100+ MW additional in the next year for SDG&E, and much greater potential<sup>1</sup> in the following years and neighboring areas.
- Energy Storage (ES): 20+ MW, providing fast ramping equal to 50 MW of conventional generation; 50 MW of load shifting storage in SDG&E territory.
- Demand Response (DR): 100 MW additional in the next year<sup>2</sup> for SDG&E, and much greater potential in the following years and neighboring areas.
- Energy efficiency (EE): 50+ MW additional in the next year, 500 MW below SDG&E peak (2007) by 2016. Efficiency achieved by SCE would allow additional pass-through of excess generating capacity.
- Energy Storage and Automated DR (ADR) can support voltage regulation, ramping and flexibility capacities, including those associated with higher penetration of local intermittent renewables.
- Los Angeles is targeting up to 1,200 MW of rooftop PV through LADWP's share of the Governor's 12,000 MW goal.

#### **References in Support of Distributed Generation + Intelligent Grid**

- *"12,000 MW of Renewable Distributed Generation by 2020: Costs, Benefits and Policy Implications,"* Interstate Renewable Energy Council (IREC), July 2012.
- *"Impacts of Distributed Generation: Final Report Prepared for the CPUC Energy Division Staff,"* Itron, Inc., January 2010.
- *"Governor Brown's Renewable Energy Statement,"* Office of the Governor, October 2012.

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<sup>1</sup> SDG&E has over 1,500 MW of commercial rooftop PV potential and twice as much ground based and residential rooftop. SDG&E CSI projects alone are on track to provide over 100 MW by 2016. SCE will have over 100 MW of commercial rooftop PV online by the end of this year. LADWP announced a 150 MW program.

<sup>2</sup> SCE projects that it will have 1,900 MW of DR by 2014

- *Updating the Electric Grid: An Introduction to Non-Transmission Alternatives for Policymakers*, US Department of Energy, September 2009.