

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)

**INFORMAL COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON ENERGY DIVISION QUESTIONS ON CAISO 2012 LTPP BASE CASE SCENARIO**

May 9, 2013

SARA STECK MYERS
Attorney for the
Center for Energy Efficiency and
Renewable Technologies

122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net

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)

**INFORMAL COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON ENERGY DIVISION QUESTIONS ON CAISO 2012 LPTP BASE CASE SCENARIO**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Informal Comments on questions posed by the Energy Division related to the presentation made by the California Independent System Operator (CAISO) on the 2012 Long Term Procurement Plan (LTPP) Base Case Scenario at the Workshop held in this proceeding on April 24, 2013. These Comments are offered pursuant to the instructions received from the Energy Division on April 30, 2013.

CEERT offers the following comments on the first question posed by the Energy Division:

1. *What assumptions should be used for recently authorized resources in Southern California Edison's service area (D.13-02-015) and San Diego Gas & Electric's service area (D.13-03-029)?*

In posing this question, Energy Division directed parties to the current assumptions and recommendation by this Commission's and the California Energy Commission's (CEC's) staffs contained in Slide 16 of the April 24 Workshop presentation. It is CEERT's position that the assumptions listed on Slide 16 (900 MW CCGT, 100 MW GT, 50 MW storage in the LA Basin and 343 MW of GT in San Diego) do not conform either to the policy findings in D.13-02-015 or the type of need found in that decision.

In this regard, the LA Basin local capacity requirement (LCR) need found in D.13-02-015 is a contingency event driven reliability requirement that will only be called for a few hours in the year. It is simply not appropriate to fill this need with baseload gas CCGT electric generation when the generation fleet is already over-saturated with combined cycles.

The average capacity factor of the combined cycles fleet today is under 40%. On many days, much of the fleet is committed in the morning and sits at minimum load at high heat rate contributing to potential over-generation just so that a few of the plants can increase generation to meet the afternoon ramp. Thus, using the assumptions on Slide 16 will simply mean that any over-generation issues found in the case studies will not be caused by renewable resources, but will not follow the intent or direction of D.13-02-015.

Instead of arbitrarily building more baseload gas, thus reducing grid flexibility and increasing both criteria pollutant and greenhouse gas emissions, the Track II LTPP case studies should be run assuming the common sense approach of procuring maximum flexibility to meet the LCR need found in D.03-12-015 while following the Commission adopted Loading Order of preferred resources aimed at *minimizing* fossil fuel procurement. Thus, the Commission should not embrace the staffs' recommendations given on Slide 16, but instead, should assume that the LCR need authorized for procurement will be met as follows:

- 1000 MW of hybrid efficient simple cycle GT such as GE LMS 100 or equivalent in the LA Basin plus 300 MW of these flexible gas resources in San Diego
- 50 MW of storage in the LA Basin
- 740 MW of demand response¹

In addition, the existing fleet of brittle inflexible combined cycles should be assumed to be retrofitted to reduce Pmin and start up time plus increased ramp rate to improve flexibility of the existing fleet before a need to procure more new “flexible” gas resources is found.

¹ 697 MW in the LA Basin and 43 MW in San Diego.

CEERT asks that this input be reflected in any next steps that the Commission takes on the LTPP Base Case Scenario. CEERT also reserves the right to comment further in any next steps taken or disposition of the this and the other questions identified by the Energy Division on April 30.

Respectfully submitted,

May 9, 2013

/s/ SARA STECK MYERS

Sara Steck Myers
Attorney for CEERT

122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net