

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  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON THE TRACK 4 SCHEDULE**

September 10, 2013

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

122 – 28<sup>th</sup> Avenue  
San Francisco, CA 94121  
Telephone: (415) 387-1904  
Facsimile: (415) 387-4708  
E-mail: [ssmyers@att.net](mailto: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)

**COMMENTS OF THE  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES  
ON THE TRACK 4 SCHEDULE**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Comments on the schedule for Track 4 (San Onofre Nuclear Generating Station (SONGS) of this Long Term Procurement Plan (LTPP) Rulemaking (R.) 12-03-014. These Comments are timely filed and served pursuant to the Commission’s Rules of Practice and Procedure and the Administrative Law Judge’s (ALJ’s) Ruling of September 4, 2013.<sup>1</sup>

**I.  
THE COMMISSION SHOULD NOT AUTHORIZE CONVENTIONAL  
GENERATION PROCUREMENT IN TRACK 4 BY INTERIM DECISION.**

At the prehearing conference (PHC) held in this rulemaking on September 4, 2013, ALJ Gamson proposed revisions to the Track 4 schedule that would result in an “interim decision” on “capacity needed to replace SONGS for the SCE/SDG&E territory” that would be issued in advance of consideration of transmission alternative study results expected from the California Independent System Operator (CAISO) in January 2014 as part of its Transmission Planning Process (TPP).<sup>2</sup> This proposed approach, which appears to be driven by time sensitivity in terms of assessing and meeting such a need, would, however, result in authorization of conventional generation procurement that might be reduced or eliminated by transmission solutions identified in the TPP.

---

<sup>1</sup> Reporter’s Transcript (RT) at 292-294 (ALJ Gamson).

<sup>2</sup> RT at 293 (ALJ Gamson).

CEERT opposes any reliance on “interim” authorizations without a full and complete evidentiary record to support such procurement, especially to avoid conflicts with this Commission’s duty to ensure reliability in a manner that preserves and promotes California’s clean energy policies. Thus, as the Commission recently made clear in this proceeding:

“A significant difference between the ISO’s reliability mission and the Commission’s reliability emphasis is that the Commission must balance its reliability mandate with other statutory and policy considerations. Primarily, these considerations are reasonableness of rates and a commitment to a clean environment. These considerations stem from both statute and Commission policy consistent with statute.”<sup>3</sup>

In combination with the Commission’s commitment to its Loading Order of “preferred resources,” the Commission has also confirmed that these preferred resources, along with transmission solutions, can and will continue to play a role in both reducing and meeting long term needs to avoid overreliance on conventional gas-fired resources.

For these reasons, CEERT joins the Natural Resources Defense Council (NRDC) in several of its recommendations included in NRDC’s Comments filed today. In this regard, CEERT agrees with NRDC that the Commission should not authorize any conventional generation in an interim decision, but, instead, do so only in a final “holistic decision, including transmission alternatives” (i.e., reactive power needs), as recommended by CAISO, that is based on a complete record and adequate public process.<sup>4</sup>

As an example of the impact potential transmission alternatives and preferred resources will have on need, SCE’s Track 4 Opening Testimony, served on August 26, 2013, confirms, among other things, that: “the development of Mesa Loop-In and the strategically located Preferred Resources could displace the need for any additional new LCR resources, while still

---

<sup>3</sup> D.13-02-015, at p. 35.

<sup>4</sup> Email from CAISO Attorney Sanders to ALJ Gamson and R.12-03-014 Service List (September 5, 2013); NRDC Comments, at pp. 1-3.

meeting NERC Reliability Standards.”<sup>5</sup> With respect to the role of preferred resources, SCE’s Track 4 Testimony makes clear that it expects to “aggressively pursue Preferred Resources in a targeted high-need area in Orange County through its Preferred Resources ‘Living’ Pilot Program (Pilot)” and that its studies have shown “that reliability in this area can be managed without LCR generation above the amounts authorized in Track 1.”<sup>6</sup>

With respect to this pilot, CEERT notes that SCE has only recently submitted to Energy Division its procurement plans, inclusive of preferred resources, pursuant to D.13-02-015. CEERT believes that the opportunity for preferred resources to meet LCR needs should be a top priority, and those efforts should not be diminished or short-circuited by an interim decision that may result in unnecessary conventional generation procurement. In this regard, CEERT also agrees with NRDC that, if any interim decision is required, it should be one that accelerates procurement of preferred resources to meet local or even system needs.

CEERT is sensitive, however, to concerns expressed by State agencies, staff, and other parties regarding procurement timing. These concerns arise not only from OTC compliance deadlines, but also consideration of how long the retiring OTC plants will remain reliable now that their ultimate fate is reasonably certain. Owner/operators of these plants will begin (or probably already have begun) to defer major maintenance given the short lifespan of any equipment repairs/replacements. If one or more of the existing OTC plants are chosen for repowering through either the Track 1 procurement referenced above or a procurement authorization, if any, arising in Track 4, there will be considerable pressure to retire the existing plant to clear the decks for construction of the new facility.

---

<sup>5</sup> SCE Track 4 Testimony, at p. 3.

<sup>6</sup> SCE Track 4 Testimony, at pp. 4, 49.

While mindful of these concerns, CEERT, however, does not support and does not believe it is reasonable or appropriate to compress the schedule for development of the public record or consideration of the range of opportunities to fill any need to address such issues. If the schedule must be compressed, the time for compression should come at the end of the process after a fully vetted and considered *final* decision has been issued and before the Commission has approved any contract arising from the procurement. CEERT's proposed schedule in that regard is provided in the following section.

**II.**  
**A SCHEDULE CAN BE ADOPTED THAT WILL ALLOW TIMELY PROCUREMENT  
OF CONVENTIONAL GENERATION RESOURCES IF A NEED IS FOUND  
BASED ON A FULLY AND PUBLICLY VETTED RECORD.**

On September 9, 2013, the California Energy Commission (CEC), as part of its Integrated Energy Policy Report (IEPR) process, held a hearing to consider a "Preliminary Plan" to ensure "Southern California Reliability" offered jointly by the staffs of this Commission, the CEC, and CAISO. Importantly, all of the State energy agencies and the principal State environmental agencies impacted by this critical infrastructure decision were present and took an active role in the hearing. In that plan, a "resource procurement timeline" for the LTPP identifies "early 2015" as a deadline for approval of SCE and SDG&E power purchase agreements (PPAs) to meet generation needs that may result based on the current retirement timeline of Once-Through Cooling (OTC) generation and the closure of SONGs.

As stated above, it may well be that this "need," both as to amount and timing, may well be reduced, extended, or even eliminated, by transmission solutions that will be part of the CAISO's transmission study alternatives due in January 2014.<sup>77</sup> CEERT understands that this

---

<sup>77</sup> The benefits of these "solutions" will best be realized by this Commission also committing, where required, to a streamlined approval process of identified transmission alternatives.

State should not risk the “lights going out” or OTC deadlines not being met *if* such an outcome could have been avoided by timely generation or transmission resource procurement.

Nevertheless, CEERT continues to believe that the Commission has a duty to ensure that any such procurement decision is fully and publicly vetted and supported. CEERT believes that there is time to develop that record and have a “holistic” *final* decision on the issue of LCR needs and “Southern California Reliability.”

To that end, CEERT offers its proposed schedule changes for Track 4 below. This proposal accepts the CAISO’s representation that its transmission study results, including reactive power needs, will be available as soon as the end of January 2014. While the CAISO’s TPP may be subject to further review by CAISO after that date, starting with these results in January 2014 to develop a record in support of a “holistic” decision is far preferable to giving interim procurement authorization that does not consider these alternatives at all.<sup>8</sup>

In fact, if there is to be acceleration of any schedule to achieve an “early 2015” PPA goal, it should come *after* a *final* decision has been issued confirming that a need exists and that it can only be met by conventional generation. Once that decision is made, then the Commission can focus on available tools to streamline and accelerate, as appropriate, the solicitation and procurement approval process, as well as any approvals required to facilitate transmission alternatives. It is also possible and may be appropriate to consider some additional optionality in the procurement plan submitted to the Energy Division by SCE pursuant to D.13-02-015 to allow using some or all of the information/bids from that RFO in any additional procurement that *may* be required as a result of a final Track 4 Decision. The precise nature of these actions could be addressed in party testimony submitted either this fall or early in 2014 pursuant to the above schedule.

---

<sup>8</sup> RT at 293 (ALJ Gamson).

With this in mind, CEERT recommends the following:

**CEERT PROPOSED SCHEDULE CHANGES FOR TRACK 4**

<b>Previous Scheduled Event</b>	<b>Revised or Added Schedule</b>
September 23 - Parties' Testimony and Reply to CAISO, SCE and SDG&E Opening Testimony	<u><i>September 30, 2013 – Parties' Initial Opening Testimony and Reply to CAISO, SCE and SDG&amp;E Opening Testimony</i></u>
	<u><i>January 2014 – CAISO TPP Study Results</i></u>
	<u><i>February 2014 – Joint CAISO-CPUC Workshop on TPP Study Results. CAISO to provide any changes to TPP Study Results no later than February 24, 2014.</i></u>
	<u><i>March 3, 2014 – IOUs, CAISO, and Parties' Revisions or Updates to Opening Testimony</i></u>
	<u><i>March 19, 2014 – Rebuttal Testimony</i></u>
October 28–November 1 Evidentiary Hearings	<u><i>March 31 – April 11 – Evidentiary Hearings</i></u>
	<u><i>April 28, 2014 – Opening Briefs</i></u>
	<u><i>May 5, 2014 – Reply Briefs</i></u>
December 2013/March 2014 Proposed Decision	<u><i>June 2014 – Proposed Decision</i></u>

**III.  
CONCLUSION**

CEERT welcomes this opportunity to comment on proposed changes to the Track 4 schedule. CEERT asks that its recommended schedule above be adopted, especially in lieu of

any interim authorizations of conventional generation resource procurement that is not based on a fully developed record identifying “Southern California Reliability” needs.

Respectfully submitted,

September 10, 2013

/s/ SARA STECK MYERS

Sara Steck Myers  
Attorney for CEERT

122 – 28<sup>th</sup> Avenue  
San Francisco, CA 94121  
Telephone: (415) 387-1904  
Facsimile: (415) 387-4708  
E-mail: [ssmyers@att.net](mailto:ssmyers@att.net)