

**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 CALIFORNIA WIND ENERGY ASSOCIATION
ON SCHEDULE FOR TRACKS 2 AND 4**

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*On behalf of the California Wind Energy
Association*

September 10, 2013

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I. INTRODUCTION

Pursuant to the instructions of Administrative Law Judge David Gamson (“ALJ Gamson”) at the September 4, 2013, Pre-Hearing Conference (“PHC”), the California Wind Energy Association (“CalWEA”) provides comments on this proceeding’s schedules for Tracks 2 (pertaining to system needs) and 4 (pertaining to the local reliability impacts of the closure of SONGS).

II. DISCUSSION

CalWEA has considered the current schedule, the schedule adjustments proposed by Judge Gamson at the PHC, and the proposed schedule described by the California Independent System Operator (“CAISO”) at the PHC and in a subsequent email sent to the parties on September 5, 2013. CalWEA supports the CAISO’s proposed schedule, without an interim procurement authorization, for the following reasons.

The CAISO’s proposal would allow full consideration of transmission alternatives before determining the need for local resources in the Los Angeles Basin and San Diego sub-area resulting from SONGS’s retirement. Taking one or two additional quarters to determine the best course of action in view of transmission alternatives (including reactive power solutions) is in order, given the magnitude of the potential investments in question and the lack of any

immediate need for local generation resources using NERC reliability standards, as indicated by Southern California Edison in its August 26, 2013, testimony. This modest delay is further justified by the ability to extend the retirement schedule of once-through cooling (OTC) plants, should that prove necessary as a short-term contingency to address any demonstrated needs in the 2020-2022 timeframe. In addition to being potentially more cost-effective, additional transmission resources would likely facilitate achievement of the state's 33% renewable energy target for 2020 and the state's ambitious longer-term greenhouse-gas goals for the post-2020 period, by allowing the greater use of renewable resources from outside of the Los Angeles Basin and San Diego to meet local capacity needs in these areas.

Overall efficiency would also be fostered by the CAISO's proposal to address Track 2 system flexibility needs after Track 4 decisions have been made, as resolving local reliability issues will very likely reduce system flexibility needs. Thus, it would make little sense to determine system needs before local reliability concerns are addressed. Another benefit of CAISO's proposed schedule is that it should also allow full consideration of the results of the stochastic studies now being developed and vetted (currently the schedule allows consideration of stochastic studies only to the extent possible within the existing timeframe of the proceeding). As recognized in the May 21, 2013, Revised Scoping Ruling and Memo of the Assigned Commissioner and ALJ Gamson, "[t]here is reason to believe that stochastic studies may be more robust than deterministic studies, as stochastic studies look at a range of inputs and the probabilities that such inputs will occur." Moreover, as the preliminary results of these studies are showing no need for new resources to address renewable energy integration, there is no need to rush Track 2. The CAISO's proposal for a Track 2 decision by the end of 2014 is therefore reasonable.

In view of the above, CalWEA does not see the need to authorize any procurement activity on an interim or contingent basis. Adding this step will only consume resources, delay the schedule, and add momentum to an outcome that has not yet been justified.

For the foregoing reasons, we urge adoption of the CAISO's proposed schedules for Tracks 2 and 4.

Respectfully submitted,



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