

**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)

**WOMEN'S ENERGY MATTERS  
COMMENTS ON PHC PROPOSALS**

September 10, 2013

Barbara George, Executive Director  
Women's Energy Matters  
P.O. Box 548  
Fairfax CA 94978  
415-755-3147  
wem@igc.org

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## **WOMEN'S ENERGY MATTERS COMMENTS ON PHC PROPOSALS**

Women's Energy Matters (WEM) submits these comments pursuant to the ALJ's questions regarding the proposals presented at the PHC, September 4, 2013.

### **INTRODUCTION**

Very little has occurred in this proceeding since the decision in February on Track 1 Local Capacity Requirements (D1302015), but now all of a sudden, without warning, we are having fire drills this month. These comments in Phase 4 (the "SONGS track", announced in the 5-21-13 Revised Scoping Memo) are due six days after the 9-4-13 PHC, reply comments three days later, plus opening testimony due on Sept. 23<sup>rd</sup>.

At the same time, the San Onofre investigation I1210013 (same Assigned Commissioner) is dealing with replacement resource costs incurred in 2012, with opening briefs due Aug. 29 and Reply Briefs due this Thurs., Sept. 12. Phase 2 of the SONGS OII is cranked up too, with Reply Testimony due today and rebuttal Testimony due the 23<sup>rd</sup> (on "assets" currently in ratebase.)

Further, pursuant to the Governor's mysterious, unpublished "90-day directive"<sup>1</sup> the CEC held a workshop<sup>2</sup> Mon. Sept. 9<sup>th</sup> in Sacramento, with leadership of CPUC, CAISO, the State's Air and Water Boards and the So. Coast Air Quality Management District to present a joint staff proposal for 50% dirty energy to replace SONGS. (This group identified themselves for the first time as the same parties that labored in the backroom with utilities for the past 18 months to foist 98% dirty energy on Southern California as replacement resources for SONGS for the summers of 2012 and 2013.<sup>3</sup>) And finally this month, California's Senate Energy Committee is holding a workshop on replacement resources Sept. 19<sup>th</sup> in Los Angeles.

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<sup>1</sup> WEM has been unable to find this document on the Governor's website.

<sup>2</sup> The Sept. 9<sup>th</sup> workshop was advertised to the service list in this proceeding as recently as last Friday, Sept. 6, 2013 as a "Joint CEC/CPUC workshop" but this was retracted at the meeting—we were told without explanation that it was only a CEC workshop. WEM intends to claim compensation for the hours anyway based on the CPUC notice.

<sup>3</sup> The 2% refers to a tiny handful of experimental demand response SCE targeted to So. Orange Co. There were also transmission fixes, which might be useful for large-scale renewables as well as gas plants but not for small local renewables and demand resources, which are both higher in the loading order.

With the possible exception of the Senate hearings, hardly any of this is responsive to WEM's proposal in the LTPPs since Fukushima to hold a transparent, ***public planning process to gather all the best ideas for replacing all California's precarious nuclear power with 100% preferred, GHG-free resources***, just in case the nukes go down unexpectedly and never come back up. (Only SONGS is now being considered, we're still living in the same dream world of immortal nuclear power from Diablo Canyon and Palo Verde.)

CA agency leadership got together yesterday to inform us that the fix is in. They are delivering California once more to the gas boys, and CPUC plans to throw up more barriers to ensure that there is no independent auction such as CAISO has proposed, no opportunity for preferred resource providers to offer actual, real proposals, no opportunity for them to bid against gas.<sup>4</sup>

Instead we'll have the preferred resources travesty approved in the Feb. decision in this proceeding – where Edison procurement personnel will cook up a “study” of hypothetical preferred resources. These are people who have thoroughly displayed their lack of understanding and antipathy to preferred resources in this proceeding and the OII (as well as their procurement plans) and who haven't a clue and couldn't care less about how actual preferred resource providers would be able to solve *any and all* of the SONGS replacement resource needs with a variety of cost-effective resources.

The Feb. decision mandated a ratio of gas to preferred resources of more than 2 to 1 — making the 9-9-13 joint agency staff proposal of 1 to 1 look progressive. Maybe this is why the ALJ at the 9-4-13 PHC said there's currently no relationship between the Gov.'s 90-day directive and this proceeding. It's patently ridiculous to make such a claim when the Assigned Commissioner was sitting on the platform at CEC yesterday, praising the joint staff proposal. He didn't say “No, our staff didn't endorse or participate, we wanted to hear from parties in our proceedings before making more backroom deals.” Instead, he basked in the “credit” for all the “countless hours of work”

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<sup>4</sup> At the 9-9-13 meeting in Sacramento, Ed Randolph, Exec. Dir. of CPUC, averred that such an auction would likely run into problems coordinating with CPUC/IOU procurement, which could create delays of two years or more... It's clear that the CPUC is planning how to undermine such a sensible proposal – not how to make it happen.

they had all performed in the backroom in the past 18 months — to bring us 98% dirty energy to replace SONGS.

As WEM's Opening Brief in the OII enumerates, the SONGS replacement resources to date have violated laws and decisions including the Loading Order and particularly the related provisions of the Jan. 2012 Commission decision (D1201033) in the prior LTPP; as well as due process; just and reasonable rates; and the prohibition on affiliate transactions. But who cares? This is California, and the utilities along with their gas and nuclear henchmen seem firmly in control of the state and most of the agencies.

**Why does this matter?**

Thanks to many decades of relentless and increasingly false propoganda, the world has been encouraged to look up to California as the “clean energy leader.” If California uses 98% dirty energy for short- and medium- term replacements for SONGS, and 50% or 75% dirty energy for long-term replacements, the rest of this country and perhaps the whole world is likely to conclude that it's impossible to replace nukes with clean energy. *That would have tragic, possibly terminal consequences for the climate, the radiation levels, and the ecosystem.* But those who profit from fossil fuels and nuclear power will be laughing all the way to the bank.

This is a situation that calls for real change.

**SPECIFIC COMMENTS ON THE PROPOSALS**

At the 9-4-13 PHC, ALJ Gamson listed the following topics for these comments:

I'm going to allow  
comments on the proposals of the ISO, Edison  
and San Diego on September 10th.

WEM adamantly opposes the Track 4 early approval of 500 MW of new resources that both SCE and SDG&E propose (i.e. 1000 MW total).<sup>5</sup> Edison wants to roll this in with their RFO, which they say is upcoming “within a few weeks,” pursuant to D1302015 - Track 1 LCRs.

According to that decision, only “NQC” resources would be allowed to bid, i.e. almostly exclusively gas plants, plus maybe a teeny bit of Demand Response. The gas

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<sup>5</sup> SCE's proposal is at 9-4-13 Tr. p. 288, SDG&E is at p. 289. PG&E concurs, p. 289.

resources were supposed to be ordered right away, because they take so long to build. As noted in the introduction, SCE planned to delay the bogus “study” on preferred resources til 2017-18 — ensuring that they won’t be allowed to compete with the gas plants.

ISO’s proposal(s) was complicated. It appears to be to delay the decision in Track 2 so that CAISO can defer further filings in Track 2 pending completion of their Track 4 studies.<sup>6</sup> They say these studies and filings are no longer in synch. This would move the Track 2 decision to late 2014.

She noted that they are still studying voltage support issues related to SONGS, and will know more about that from their new Transmission Plan (TPP) in January 2014.

Ms. Sanders stated,

Right now if we put in a lot of testimony and have a hearing -- and that's why I said I'm not sure what the Commission would be ruling on at this point because we wouldn't have the information that we need on the local needs.<sup>7</sup>

WEM agrees with other parties who filed a motion asking for consideration of reactive power solutions.<sup>8</sup> We see no reason to continue with the problem we had in Track 1 of outdated studies that assumed SONGS was online, or soon coming back online.

We therefore support a delay in both Track 2 and Track 4 until at least January. Maybe by then the mindset will have changed so that preferred resources as well as transmission fixes will get more consideration. We also agree with ISO that there’s no point in having hearings when crucial information is missing, and we believe that Track 4 should get two weeks of hearings and Track 2 one or none.

In addition  
to that, you can also comment on my proposal,  
and here it is. Pens ready?  
(Laughter.)

ALJ GAMSON: All right. **Number 1**, an interim decision according to the current schedule, which is dependent on whether we have hearings or not in Track 4, with an

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<sup>6</sup> 9-4-13 Tr., p. 276

<sup>7</sup> Ibid, p. 278-89.

<sup>8</sup> Ibid, p. 285.

expected level of capacity needed to replace SONGS for the SCE/SDG&E territory. So, in other words, that would be some time early next year, depending on hearings.

No – See above re ISO proposal.

**Number 2**, the decision would include the assumptions about what resources are expected to be in place, and that would include: A, resources already approved, planned, pending approval, or otherwise anticipated. B, transmission upgrades proposed by SCE and SDG&E but not yet formally studied or put forth in the TPP. C, facilities to provide voltage support. D, resources expected to retire. And E, other resources which may be identified in the record.

No. We need an auction, or at least solicitations/ RFOs or whatever the utilities want to call it, where ALL resources are allowed to bid, and there is an independent group that sets criteria, scores the proposals, and makes sure that the utilities don't prevent the results from happening. In particular, all demand-side resources must be allowed to "target" particular geographical areas. The practice of "embedding" demand-side resources in the demand forecast must be suspended so that this can happen — or the bidding resources may be given a different name to differentiate them from those embedded. They should be considered on the supply-side for the purposes of this and future RFOs, to prevent them from being ruled out by some technicality. And they should be paid as much for "negawatts" as supply side resources get for megawatts.

The entire "need" identified for SONGS replacement should be covered by this auction or RFOs.

**Number 3**, and I suppose I could have had a handout, but I don't, number 3, the decision would then authorize procurement of resources to meet the identified need on an interim basis specifying the type of resources or types of resources to be prepared and provide a process for such

procurement.

See #2 above.

**Ready for number 4?** The decision would also set a policy for any additional procurement which may be necessary after review of the TPP. ...

See our comment on ISO and IOU proposals, above.

ALJ GAMSON: **Number 5**, the decision would provide a method for SCE and SDG&E to procure more or less than authorized in the interim decision.

No.

And **number 6**, after the CAISO files the TPP with the Commission parties could comment on whether any changes are needed to the interim decision.<sup>9</sup>

No, the CAISO schedule we endorse would have the TPP included in the deliberations.

## CONCLUSION

As described in the Introduction, the horse is already out of the barn. The Jan. decision in this proceeding set the template for a train wreck in preferred resources, and greased the skids for gas. The Joint Staff's proposal pursuant to the Gov.'s directive appears to follow a similar methodology.

The only useful thing that could be done here would be to cancel those provisions in relation to SONGS resources, and provide for a completely independent truly all-source RFO. We hesitate to suggest that this proceeding provide for ways to incorporate results from a potential CAISO auction, because it appears to be the Commission's intention to block that anyway, and this proceeding could give the (false) appearance of the Commission actually considering it. But that's the best proposal on the table, other than WEM's long-standing proposal for a fair all-source RFO, as further described in #2 above.

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<sup>9</sup> 9-4-13 PHC Transcript, pp. 292-94.

Dated: September 10, 2013

Respectfully Submitted,

/s/ Barbara George

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Barbara George, Executive Director  
Women's Energy Matters  
P.O. Box 548  
Fairfax CA 94978  
415-755-3147  
wem@igc.org