

**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 13-12-010
(Filed December 19, 2013)

**REPLY COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION
ON PLANNING ASSUMPTIONS AND SCENARIOS FOR USE IN THE CPUC 2014 LONG-TERM
PROCUREMENT PLAN PROCEEDING AND CAISO 2014-15 TRANSMISSION PLANNING PROCESS**

Nancy Rader
Executive Director
California Wind Energy Association
2560 Ninth Street, Suite 213A
Berkeley, CA 94710
Telephone: 510-845-5077 x1
E-mail: nrader@calwea.org E-

Dariush Shirmohammadi
Transmission Advisor
California Wind Energy Association
2560 Ninth Street, Suite 213A
Berkeley, CA 94710
Telephone: (310) 858-1174
mail: Dariush@shirconsultants.com

***On behalf of the California Wind
Energy Association***

January 15, 2014

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Pursuant to the December 19, 2013, Ruling of Administrative Law Judge Gamson, the California Wind Energy Association (CalWEA) provides these reply comments to parties' January 8, 2014, comments on the "Planning Assumptions and Scenarios for use in the CPUC 2014 Long-Term Procurement Plan Proceeding and CAISO 2014-15 Transmission Planning Process" ("Planning Scenarios")

In these comments, CalWEA:

- joins other parties in calling on the Commission to provide the additional time that is needed to refine assumptions and develop scenarios in order to develop greater consensus and create a strong foundation for decision-making, and
- responds to parties' arguments related to whether anticipated resources should be modeled, and argues for the inclusion of all such resources (including all mandated storage resources) that will have been authorized by the time that the scenarios are adopted, assuming that all resources will meet the CAISO's criteria for dispatchable supply resources and will be located at sites with the greatest effectiveness factors.

1. Additional Time Is Needed to Refine Assumptions and Develop Scenarios

In its opening comments, Pacific Gas and Electric (PG&E) notes the relatively short amount of time that was provided to review and discuss planning assumptions and scenarios relative to past LTPP cycles, and stated that additional time is warranted given the complexity of these topics. (PG&E opening comments at p. 1-2.) This sentiment was echoed in the opening

comments of other parties.¹ CalWEA agrees, and calls upon the Commission to provide sufficient additional time to enable more stakeholder input and discussion so that some consensus can be developed before the studies are conducted.

Most parties called, in their opening comments, for significant changes to assumptions and/or scenarios. For example:

- Southern California Edison (SCE) called for numerous substantial changes to the assumptions;
- San Diego Gas and Electric (SDG&E) points out (at p. 4) that some scenarios are really just sensitivities to the Trajectory case;
- many parties (including SDG&E, BAMx, Calpine, and Duke American Transmission Company, as well as CalWEA) call for more realistic and cost-effective scenarios;
- many parties (including Union of Concerned Scientists (UCS)/Sierra Club, NRDC, Vote Solar, and LSA, as well as CalWEA) call for a scenario that would meet the ARB's greenhouse-gas (GHG) reduction goals. NRDC cites (p. 13) a comprehensive study by Lawrence Berkeley National Laboratory (LBNL) showing that even a 40%-by-2020 RPS and a 51%-by-2030 RPS will not be sufficient to achieve the state's 2050 GHG-reduction goal;
- several parties (BAMx, UCS/Sierra Club, and City and County of San Francisco (CCSF), in addition to CalWEA) have called attention to the importance of the deliverability assumption, which deserves further discussion;
- PG&E, UCS/Sierra Club, BAMx, and CCSF have called for the model to include distribution costs for DG resources – some time to vet this assumed cost will be needed; and
- PG&E notes, and CalWEA agrees, that the RPS Calculator needs to be updated to include the most current LCOEs for all technologies (not just a few, as is the case now) in order to accurately reflect current market prices for energy and capacity.

While SDG&E suggests (at p. 3) that, to address needed changes, the Commission “should permit resource planners to apply their expert judgment in order to make necessary determination and then document the basis for such determinations in the study results,” and SCE recommends (at p. 5) that “the Commission allow parties to submit their own analysis of alternative scenarios,” it would be far preferable to develop some degree of consensus around

¹ See, e.g., Bay Area Municipal Transmission Group (BAMx) at p. 2; Large-scale Solar Association (LSA) at p. 1.

the assumptions and scenarios that are used in the modeling efforts. Developing greater consensus will provide the Commission with modeling results that will serve as a much stronger and less controversial foundation for decision-making. Moreover, accepted, robust and diverse scenarios will be needed to support any “least regrets” policy-related transmission upgrades under the CAISO’s transmission planning process.

2. All Authorized and Mandated Resources Should Be Assumed in the Model, Located at Sites with the Greatest Effectiveness Factors, and Assumed to be Dispatchable Supply Resources

CalWEA agrees with SCE’s recommendation (at p. 3) that all 1,800 MW of resources authorized in the LTPP Track 1 should be incorporated into the model. Further – for the same reason stated by SCE in support of including Track 1 resources, that “modeling without these known additions could lead to inaccurate results that may not be useful for determining additional needs” – CalWEA recommends that the model include all resources that may have been authorized through the 2012 LTPP proceeding by the time the 2014 LTPP scenarios are adopted (which may include Track 4 authorizations), as well as any remaining storage resources that have been mandated by the Commission under D.13-10-040.² (As PG&E pointed out at p. 5, these resources must be installed and delivered to grid by the end of 2024 – within the time-frame of the 2014 LTPP studies.)

CalWEA also agrees with SCE that Track 1 resources – and CalWEA would add Track 4 and all mandated storage resources – should be assumed to be located at sites with the greatest effectiveness factors. CalWEA disagrees with SDG&E’s argument (at p. 8) that “[i]ncluding non-existent energy storage resources with unknown operating characteristics in the base case model serves no reasonable purposes and will distort the results of the analysis.” To the contrary, the results will be distorted if these anticipated resources – which will dramatically reduce local and flexible capacity needs – are not modeled. It is reasonable to assume that storage, including distribution-level and customer-level storage, will meet the

² CalWEA, along with other Track 4 stakeholders, advocated that the LTPP Track 4 need could be most cost-effectively met by simultaneously fulfilling the storage mandate. CalWEA went on to encourage the Commission to enable and encourage SCE and SDG&E to work with PG&E and other load-serving entities to cooperatively fulfill the balance of the energy storage mandate.

CAISO's criteria for dispatchable supply resources such that they contribute to grid reliability just as any controllable supply resource would. There is ample lead-time time, and compliance time, to develop appropriate criteria and for storage resources to meet these criteria, and it is reasonable to presume that the utilities, in meeting their storage mandates, will select these more-valuable resources in the most-valuable locations.

CalWEA agrees with PG&E (at p. 5) that, "to the extent that the 2014 LTPP analysis assumes the existence and effectiveness of *any* resources that do not yet exist, the actual development of these assumed resources should be tracked, and mid-course corrections made as necessary to ensure that the needs are actually met, and the electric system operates reliably." (Emphasis in original.)

Respectfully submitted,



Nancy Rader
Executive Director
California Wind Energy Association
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Berkeley, California 94710
Telephone: (510) 845-5077 x1
Email: nrader@calwea.org

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