

**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 WORKSHOP COMMENTS OF THE PROTECT OUR COMMUNITIES
FOUNDATION**

David A. Peffer, Esq.
PROTECT OUR COMMUNITIES
FOUNDATION
4452 Park Boulevard, Suite 209
San Diego, CA 92116
david.a.peffer@gmail.com

January 15, 2014

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I. INTRODUCTION

Pursuant to Rule 1.4 of the Commission’s Rules of Practice and Procedure, the Protect Our Communities Foundation (“POC”) submits the following Reply Comments to the Parties’ Comments on the *Planning Assumptions and Scenarios* document and related documents in the 2014 LTPP proceeding, R.13-12-010.

The following comments address: (1) the need for the Commission to reject “imported” and “embedded” assumptions; (2) POC’s (partial) support for objections to the thermal plant retirement assumptions raised by Southern California Edison (“SCE”), and the Sierra Club and Union of Concerned Scientists (“SC/UCS”); and (3) POC’s objection to SDG&E’s proposed photovoltaic assumption modification.

II. THE COMMISSION MUST NOT ALLOW “IMPORTED” OR “EMBEDDED” ASSUMPTIONS

The Commission must not: (1) allow the treatment of contested, unresolved issues from the 2012 LTPP as assumptions in this proceeding; (2) allow the treatment of “embedded” issues as assumptions; and (3) adopt the N-1-1 Limiting Critical Contingency as an assumption.

In its Opening Comments Southern California Edison (“SCE”) seeks to incorporate certain efficiency values from Track 4 of the 2012 LTPP as assumptions in the current proceeding.¹ However, the validity of these EE values remains an open and unresolved issue in Track 4. POC is concerned that SCE’s request opens the door to the adoption of highly contested, unresolved matters from the 2012 LTPP as assumptions in this proceeding. POC is especially concerned about the potential incorporation of the N-1-1 limiting critical contingency for the San Diego and/or Los Angeles local areas.

This also raises a related concern regarding “embedded” assumptions. POC is concerned that, in adopting certain specific values as assumptions, the Commission is assuming not only the validity of those values, but also the validity of the inputs and methodologies used to reach those values. Thus, for each assumption that has been identified and explained in the Assumptions document, there may be many additional “embedded” assumptions. If the Commission does not treat “assumptions” as issues of fact subject to the full evidentiary process, with discovery, testimony, cross-examination, and the burden of proof on the utilities, allowing “embedded” assumptions would be highly prejudicial: not only would it deny parties the normal evidentiary process, but it would also effectively deny them the *de minimis* procedural protection provided by the Comments process. As such, the Commission must not treat matters that have not been specifically identified and described in the Assumptions Document as assumptions.

¹ Opening Comments at ¶ 37.

It would be unreasonable for the Commission to adopt the N-1-1 Limiting Critical Contingency (“LCC”) as an “imported assumption” or an “embedded assumption.” The validity of the N-1-1 LCC is a highly contested issue in Track 4 of the 2012 LTPP, and remains unresolved in that proceeding. CAISO’s switch from its official G-1/N-1 LCC to the N-1-1 LCC for the Southern California Edison L.A. Basin Local Capacity Area and San Diego Local Capacity Area has not been subjected to a full reasonableness review in prior proceedings.

III. POC AGREES WITH OBJECTIONS TO PLANT RETIREMENT ASSUMPTIONS

POC agrees, in part, with objections to the thermal resource retirement assumption raised by Southern California Edison, and the Sierra Club / Union of Concerned Scientists.

POC agrees with SCE that many plants that currently operate today have a lifespan longer than the 40 years assumed in the mid case.² POC further agrees with SCE that, given the lack of a study to support the 40-year retirement assumption, the assumption is highly uncertain.³

POC similarly agrees with SC/UCS that “retiring existing resources based on facility age may not be an appropriate assumption, especially where turbines are not frequently utilized and/or may have undergone an overhaul.”⁴ POC agrees that the total hours of operation of a facility’s turbines vs. the total operational hours expected for the turbines’ lifetime is a much better gauge of a plant’s effective age.⁵

POC cautions, however, that even the age of a plant’s turbines is a poor predictor of retirement, as plants with “old” turbines may be overhauled or re-overhauled as long as it makes business sense to do so. As the long-term business plans of plant operators is a

² Opening Comments at 6.

³ Opening Comments at 7.

⁴ UCS Opening Comments at 6.

⁵ Opening Comments at 7.

“black box” in proceedings such as this, and may change with economic conditions, the only reasonable predictor of a plant’s retirement is the announcement of a firm retirement date.

IV. SDG&E’S PROPOSED PV MODIFICATON MUST NOT BE ADOPTED AS AN ASSUMPTION

In its Opening Comments, SDG&E asks that the factor for converting installed photovoltaic MW to load reductions be reduced from 47% to 30%. SDG&E justifies this request based on the claim that:

SDG&E’s peak, net of existing rooftop solar, is already occurring in the very late afternoon, between 4:00 – 5:00 PM. As an increasing amount of rooftop solar is added to the system, the peak, net of solar, will move out even later to the evening.

SDG&E does not provide any evidentiary support to justify this request for a major reduction in the calculated peak value of installed PV, and POC contests these claims. As a contested material issue of fact, it is inappropriate for the Commission to adopt SDG&E’s proposed modification as an assumption. Rather, any proposed modification should be treated as an issue of fact subject to the full evidentiary process, with discovery, testimony, cross examination, and the burden of proof on SDG&E.

Respectfully Submitted,

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_____/S/
David A. Peffer, Esq.
Protect Our Communities Foundation
4452 Park Boulevard, Suite 209
San Diego, CA 92116
david.a.peffer@gmail.com