

**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

**REPLY COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION IN RESPONSE
TO ALJ GAMSON'S RULING REQUESTING COMMENTS ON PLANNING
ASSUMPTIONS AND SCENARIOS**

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I. INTRODUCTION

The Large-scale Solar Association ("LSA") appreciates the opportunity to submit reply comments on the December 18, 2013 Long Term Procurement Plan ("LTPP") planning assumptions and scenario workshop materials attached to ALJ Gamson's Ruling of December 19, 2013 ("ALJ Ruling") and subsequent opening comments. These comments are filed in accordance with the Commission's Rules of Practice and Procedure and the ALJ Ruling, which requested that reply comments be filed by January 15, 2014 in this new LTPP proceeding.

II. DISCUSSION

**A. The Commission Should Include a Greater Range of Scenarios Aimed at
Evaluating Options for Meeting the State's Climate Goals.**

Opening comments on the Proposed Planning Assumptions and Scenarios ("Planning Documents"), make it clear there is growing consensus that the scenarios (particularly Scenario 6) should go further and evaluate a broader range of options for meeting AB 32 (2006) goals.¹ LSA supports this approach and agrees with parties that the Commission has the authority to

¹ See Opening Comments of CalWEA, the Union of Concerned Scientist and Sierra Club, Vote Solar, PG&E and CEERT.

consider broader goals via its ability to authorize additional renewable procurement under AB 327 (2013) and to plan for needed greenhouse gas emissions reductions.² As set forth in opening comments, LSA recommends the Commission do so in part by modifying Scenario 6 to include more aggressive RPS assumptions targeted at ensuring the state is on track to meet its AB 32 goals with a greater emphasis on grid-scale renewables.

B. Changes Must Be Made to the RPS Calculator Before a Least-Cost or Cost-Constrained Case Can be Included in the LTPP.

In opening comments, The City and County of San Francisco (CCSF) and others request the Commission develop the scenarios and portfolios base on a cost-constrained case.³ LSA has several concerns with this recommendation. First, given the advanced stage of procurement necessary to meet the 33% RPS by 2020, it makes little sense to build portfolios and scenarios that do not reflect existing commercial commitments.⁴ In the 2012 LTPP cycle, the Commission recognized that existing commercial commitments realistically leave little room for developing meaningful alternatives in the 10-year forward planning time frame.⁵ This is even truer today as many projects have advanced significantly over the last year and a half and failure rates have declined as industry and the utilities have become more sophisticated in developing

² Comments of UCS and Sierra Club on Planning Assumption and Scenarios for Use in the 2014 LTPP and 2014-15 TPP, p. 6 (Jan 8, 2014).

³ Comments of the CCSF on Planning Assumptions and Scenarios for Use in the 2014 LTPP and the CAISO 2014-15 TPP, pp. 2-3 (Jan. 8, 2014); CalWEA Comments on Planning Assumptions and Scenarios for Use in the 2014 LTPP and the CAISO 2014-15 TPP, pp. 5-6 (Jan. 8, 2014);

⁴ This is particularly true given the minimal net shorts projected by the utilities for 2020. See PG&E (U39 E) Final 2013 Renewable Energy Procurement Plan, p.60 (Dec. 4, 2013); SCE (U 338-E) Final 2013 Renewables Portfolio Standard Procurement Plan, Vol. 1, pp. 6-7 (Dec. 4, 2013).

⁵ R.12-04-013, Assigned Commissioner's Ruling on Standardized Planning Assumptions, Attachment p. 20 (June 27, 2012).

and contracting for these projects. Second, as noted in LSA's opening comments, other than the PV cost assumptions, the other resource, transmission and distribution cost assumptions in the calculator are woefully out-of-date (or in the case of distribution costs lacking altogether). In addition, the current RPS calculator fails to provide a reasonable basis for evaluating costs due to its reliance on generic projects (with unknown costs) over those in active commercial development.

In LSA's view, a proper least-cost analysis cannot be undertaken using the outdated and skewed assumptions in the RPS calculator and requires a more holistic analysis that not only will necessitate that all costs be updated but a methodology that accounts existing commercial commitments, maintains the 33% RPS and solves for least-cost approach to meet AB 32 goals for the entire system. For these reasons, LSA is opposed to adopting a cost-constrained or least-cost case using the existing methodology and assumptions. However, should the Commission determine that this is a priority for this planning cycle, LSA strongly recommends that at a minimum any cost-constrained/least-cost case should focus on the 2024-2034 time frame and be based on updated costs for transmission, distribution and all resources.

C. The Environmental Scoring Methodology in the RPS Calculator Should Not be Utilized.

LSA agrees with the concerns raised by CalWEA concerning the environmental scoring methodology.⁶ The environmental scoring in the RPS calculator is highly problematic and enters the questionable territory of having the Commission prejudge renewable projects based on metrics with limited accuracy and a dubious methodology. As noted by CalWEA, each of these projects undergoes rigorous environmental review and these are complex issues to be evaluated

⁶ CalWEA Comments at p.4.

in the CEQA or NEPA process by the relevant siting agencies.⁷ Further, location in one the solar energy zones or areas that may ultimately be designated in DRECP as a development focus area is neither an indicator of lack of or existence of resource conflicts. In addition, several parties including Duke American Transmission and The Nature Conservancy echoed some of LSA's concerns with the existing methodology, including the issue of preference given to projects in the DRECP.⁸ Given its clear flaws, LSA reiterates its recommendation that the existing environmental scoring not be utilized in this planning cycle. LSA also requests that the environmental scoring not be given more weight or relied upon to build an environmentally constrained case as recommended by The Nature Conservancy.⁹ Going forward, LSA recommends the Commission reevaluate the purpose and value of environmental scoring in the LTPP and provide all parties ample opportunity to vet and develop an environmental scoring methodology that can be implemented fairly for all projects both renewable and conventional, regardless of location.

D. The Deliverability Assumptions in the RPS Calculator Should be Modified Based on Actual Project Data.

In opening comments, CalWEA recommends that the deliverability assumptions for RPS resources be changed and that all projects outside the discounted core be modeled as energy-only.¹⁰ LSA disagrees. Different resources have varying project economics and while the RPS

⁷ *Id.*

⁸ Comments of Duke American Transmission Company on Planning Assumption and Scenarios for the 2014 LTPP and 2014-15 TPP, p. 5. (Jan. 8, 2014); Comments of The Nature Conservancy on the December 18th Workshop Material on Planning Assumptions and Scenarios for the 2014 LTPP and 2014-15 TPP, p. 9 (Jan. 8, 2014).

⁹ The Nature Conservancy Comments at pp. 7-9.

¹⁰ CalWEA Comments at pp. 2-3.

does not require deliverability, neither does it preclude it. Modeling all future projects as energy-only will provide an equally skewed picture of future needs as modeling all as fully deliverable. LSA instead recommends that the RPS calculator be changed to specify the deliverability status of all commercial projects in the RPS calculator. This should be a fairly straightforward process and provide the basis for more accurate assumptions of future transmission needs. Generic projects should be modeled as either energy-only or fully deliverable based on the proportion of commercial projects that are energy-only. For example, if ten percent of the commercial projects in the RPS calculator are energy-only, ten percent of the generic projects should be modeled as energy-only. This approach should provide more realistic assumptions of the future transmission needed for renewables.

E. Additional RPS Calculator Comments and Recommendations.

LSA supports PG&E's recommendation to include the RAM contract details in the RPS calculator.¹¹ This is an important set of projects that includes projects interconnecting to the transmission system, which need to be accurately modeled and planned for, particularly for CAISO's TPP.

In opening comments, CCSF raised concerns that the proposed scenarios are too reliant on projects without power purchase agreement ("PPAs").¹² It is not clear to LSA which projects CCSF is concerned about, however, this may be due to the RPS calculator's flawed 67% test, which excludes projects from the discounted core that otherwise meet the viability criteria (approved PPA and completed permit application) in favor of generic projects based on the

¹¹ Comments of PG&E on the Energy Division's December 18, 2013 Workshop Materials, p.14 (Jan. 8, 2013).

¹² CCSF comments at 4.

arbitrary requirement that a project is only included in the discounted core if its energy deliveries account for 67% of a triggered transmission upgrade. LSA requests staff respond to this issue by more fully explaining how generic projects are developed, whether or not they are based on the existing interconnection queue and by considering relaxing the 67% requirement. LSA also notes that CCSF appears to be relying on outdated CAISO interconnection queue information.¹³ As of October 31, 2013, there were approximately 23,000 MW in the CAISO queue, roughly double (not triple) the amount needed to meet 2020 RPS requirements.¹⁴ While this represents a substantial interconnection queue, the queue has diminished dramatically in the last few years and a more accurate characterization is that the projects in the interconnection queue have matured significantly and the queue itself has begun to right size.¹⁵

Finally, LSA notes that earlier this week Commissioner Ferron issued a Third Amended Scoping Ruling (□Third Scoping Ruling□) in the RPS proceeding, R. 11-05-005. The Third Scoping Ruling indicates that the RPS proceeding will be undertaking a review and update to the RPS calculator, scheduled to begin early this year.¹⁶ LSA is pleased that this effort will soon be underway and strongly supports and encourages close coordination of efforts to revise the RPS calculator with this proceeding.

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¹³ *Id.*

¹⁴ October 31, 2013 Memorandum to the ISO Board of Governors, Update on Renewables in Generator Interconnection. Accessible at:

<http://www.caiso.com/Documents/UpdateRenewablesGeneratorInterconnectionQueue-Nov2013.pdf>

¹⁵ *Id.* at p. 2.

¹⁶ R.11-05-005, Third Amended Scoping Memo and Ruling of Assigned Commissioner p.4 (Jan. 13, 2013).

III. CONCLUSION

LSA appreciates the opportunity to submit reply comments on the planning assumptions and scenarios for the 2014 LTPP and recommends the Commission make the changes outlined above.

Respectfully submitted,

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