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

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 comment on the December 18, 2013 Long Term Procurement Plan ("LTPP") scenario and planning assumptions workshop materials attached to ALJ Gamson's Ruling of December 19, 2013 ("ALJ Ruling"). These comments are filed in accordance with the Commission's Rules of Practice and Procedure and the ALJ Ruling, which requested opening comments by January 8, 2014 be filed in the new LTPP proceeding.

II. DISCUSSION

A. With Several Modifications, The Scenarios Provide An Appropriate Starting Point For This LTPP.

For the most part, LSA supports the scenarios proposed in the Planning Assumptions and Scenarios for use in the CPUC 2014 Long-Term Procurement Plan Proceeding and CAISO 2014-15 Transmission Planning Process (Planning Document"). LSA is pleased that the Commission is moving forward to improve coordination between agencies by aligning its schedule and assumptions with both the California Independent System Operator ("CAISO") and the California Energy Commission ("CEC"). LSA applauds this step forward in improving the coordination among California's key resource planning efforts. However, LSA is concerned that the limited time provided for review of the planning assumptions and scenarios may result in

inaccuracies. Therefore, LSA recommends the Commission allow for some flexibility in the proceeding for updating the planning assumptions and scenarios if necessary as it moves forward with this new LTPP schedule.

LSA generally endorses the proposed scenarios with several recommended modifications. LSA is pleased that many of the scenarios utilize the RPS commercial interest case. This is critical to ensure the assumptions in the LTPP take a realistic view of existing real-world commitments and agreements. However, what is missing is the use of the RPS commercial interest case in the higher RPS scenarios. It is important for the Commission to evaluate and study a range of options for achieving higher renewable energy penetration and the state's long-term greenhouse gas reduction goals and not focus solely on a high distributed generation ("DG") assumption in Scenarios 5 and 6. As such, LSA recommends Scenario 6 (expanded preferred resources scenario) be modified to focus on the RPS commercial interest case (instead of the high DG assumption) and evaluate the renewables needed by 2030 to meet the state's greenhouse gas reduction goals. LSA further recommends that the RPS level in Scenario 6 be set at a minimum of 40% in 2030 but the exact RPS level for this scenario should be developed in consultation with the Air Resources Board's ("ARB") and be set at the level necessary to be on the trajectory to meet the state's AB 32 goals.[1] Scenario 6 should also be modified to remove the high levels of incremental Combined Heat and Power ("CHP"). Higher CHP assumptions would be more appropriate to examine in Scenario 4, which is focused on looking at high levels of distributed generation. Making these changes should provide the Commission with a robust set of scenarios that are each substantially unique and reflective of existing state policies.

B. If Used in this Proceeding, Changes Must Be Made to the Existing RPS Calculator.

Over the last several years, LSA has noted its concerns with the existing RPS calculator.[2] These concerns have increased as the data in the calculator has become stale and the calculator has produced questionable results that don't account for existing commercial commitments and projects under active development. LSA appreciates that both during the December 18th

[1] This is expected to be part of ARB's Scoping Plan update, which is scheduled to be finalized in the spring.

[2] *See e.g.* Response of the Large-scale Solar Association to Key Technical Questions for Parties in Response to Energy Division Proposed Scenarios For Use in the 2012 LTPP (September 7, 2012).

workshop and in the Planning Document, staff acknowledged some of the limitations of the RPS calculator. As LSA noted during the workshop, given these limitations, continued use of the existing calculator is inadvisable, as it is not producing results that are reflective of existing commercial commitments or realistic future transmission needs. At the same time, LSA acknowledges the timing constraints the Commission is under given its intent to align resource planning efforts and the fact the new RPS calculator has not yet been released to parties. Therefore, LSA recommends the Commission not move ahead with the existing RPS calculator in this planning cycle unless the following changes are made:

- The 67% requirement is eliminated. The RPS Calculator currently only includes projects that have met the viability screen in a portfolio if their energy accounts for 67% of the energy deliveries of the triggered transmission upgrade. This approach has proved to favor generic projects with unstudied and unknown transmission requirements over actual contracted commercial projects that have met the viability screen and have defined transmission needs. Removing this requirement is critical to enable a more realistic analysis of transmission requirements based on projects that are actually being developed.
- All resource costs along with the transmission and distribution cost assumptions are updated and vetted by parties. LSA appreciates that the PV costs in the RPS calculator have been updated. However, the other resource and transmission and distribution costs assumptions remain outdated. Moreover, it remains unclear what information was used to determine the new PV costs in the RPS calculator. LSA urges the Commission to fully describe the data sources and methodology used to determine the new PV cost assumptions and additional cost updates.
- The environmental scoring is removed from the RPS calculator. The environmental scoring has not been properly vetted in this or previous LTPP proceedings and should be removed. LSA□s understanding is that the environmental scoring, which was developed by the CEC, it is based on preliminary development focus areas (□DFAs□) that were developed by the Desert Renewable Energy Conservation Plan process (□DRECP□) in 2012. These areas have not been adopted or even formally proposed as part of a NEPA or CEQA process in the DRECP and it is unclear if they resemble what will be formally

proposed or ultimately adopted in that process. Furthermore, in LSA's review of this methodology for the 2013-2014 TPP Renewables Portfolios, this scoring appeared to favor projects inside the DRECP planning area. It is illogical and unfair to base environmental scoring for the state's RPS framework by favoring one area of the state. It is unclear to LSA whether not this issue has been corrected, as the methodology is not described in either the calculator or the Planning Document. Regardless, LSA's prior review of the environmental scoring found it to be inaccurate (due to mapping inaccuracies) and premature due to the preliminary nature of the DFAs. As such, LSA recommends it be removed from the RPS calculator until such time an environmental scoring metric is fully vetted in this proceeding. LSA also requests further information from staff about the out-of-state solar project that was apparently excluded due to the environmental score.

III. CONCLUSION

LSA appreciates the opportunity to comment on the planning assumptions and scenarios for this new LTPP cycle and recommends the Commission make the changes outlined above.

Respectfully submitted,

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