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	R.13-12-010

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

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January 8, 2014

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These comments are submitted in response to Administrative Law Judge (ALJ) Gamson's e-mail ruling dated December 19, 2013, which set January 8, 2014 as the due date for comments on the proposed Planning Assumptions and Scenarios for Use in the CPUC 2014 Long-Term Procurement Plan Proceeding and CAISO 2014-15 Transmission Planning Process (Planning Assumptions). The Planning Assumptions were presented in a December 18, 2013 workshop.

I. INTRODUCTION

ALJ Gamson's email ruling included an attachment with a set of questions (reproduced below in italics). The California Large Energy Consumers Association (CLECA)[1] provides limited responses to some of those questions.

[1] The California Large Energy Consumers Association is an *ad hoc* organization of large, high load factor industrial electric customers of Southern California Edison Company and Pacific Gas and Electric Company. CLECA has been an active participant in Commission regulatory proceedings since 1987.

II. CLECA RESPONSES TO KEY TECHNICAL QUESTIONS FOR PARTIES IN RESPONSE TO DECEMBER 18, 2013 WORKSHOP

1. *Is the current range of scenarios sufficient to cover current policy issues facing the CPUC?*

No. The current range of scenarios is at odds with the Commission's stated goals in the demand response (DR) rulemaking, R. 13-09-011. That rulemaking specifically states that:

> The Commission initiates this Rulemaking to determine whether and how to bifurcate current utility-administered, ratepayer-funded Demand Response programs into demand-side and supply-side resources, with the intent of prioritizing demand response as a utility-procured resource, competitively bid into the California Independent System Operator wholesale electricity market. The ultimate goal *is to enhance the role of demand response programs in meeting the state's long-term clean energy goals while maintaining system and local reliability*.[2]

The planning assumptions and scenarios as proposed reflect no increase in "dispatchable" demand response beyond the amounts defined by the current load impact protocols.[3] If it is indeed the intention of the Commission to "enhance" the role of demand response programs, then maintaining current levels of DR based on the April 2013 load impact protocols for the year 2012, with no increases for another decade, is inconsistent.

2. *Are there any technical errors in the proposed scenarios, scenario tool, or RPS Calculator? For any identified errors, please be very specific in your comments including the location of the error and the correct value, including the source for the revised value. If appropriate, please provide a revised spreadsheet showing any corrected values. Some example questions to consider in identifying factual errors are:*

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[2] R. 13-09-011, at 2, (emphasis added.)

[3] "The most recent Load Impact reports [cites omitted] filed with the CPUC serve as the default assumption." Attachment Planning Assumptions and Scenarios for use in the CPUC 2014 Long-Term Procurement Plan Proceeding and CAISO 2014-15 Transmission Planning Process, at 13-14.

a. *Are any resources counted twice or inappropriately left out of the analysis?*

As noted in our response to Question 1 above, incremental "dispatchable" demand response resources are not included in the planning assumptions or scenarios, even though the LTPP period extends to 2024. New "dispatchable" demand response resources are entirely left out of the assumptions and scenarios.

Furthermore, the ability of demand response to meet local reliability needs is left undefined. It appears that the Commission staff is waiting for a CAISO conclusion on this matter.

> TPP Base and local area studies may adjust the default DR assumption to account for uncertainty in both location and the ability of DR to mitigate specific contingencies of concern. CPUC staff expects discussions with the CAISO to lead to agreement on appropriate DR assumptions for local area studies.[4]

This language raises concerns. Does the Commission intend to defer to the CAISO on the appropriate DR assumptions for local reliability? What will be the role of input from parties to this proceeding? Will evidence that may come out of the DR Rulemaking on Resource Adequacy proceedings be considered?

The CAISO appears in no hurry to address how DR can assist in local reliability. The CAISO has had only one stakeholder call on the role of DR and EE for local reliability on September 18, 2013. Moreover, its prior September 4 issue paper[5] was highly conceptual and appeared to confuse the ability to meet local reliability needs with the need for ramping capability. The issue paper was

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[4] Id., at 14.

[5] Paper-Non-Conventional Alternatives-2013-2014Transmission Planning Process.pdf.

also very skeptical about the role DR or EE could play.[6] The Commission should be very wary of moving forward with either the default assumption that there is no greater role for DR to play in resource planning for the next decade or the default assumption that DR can make no contribution to local reliability.

b. *Are any numbers cited in the proposed scenarios or spreadsheets inaccurate relative to the intended sources?*

No response.

c. *Are there any errors in the renewable generation project data in the 33% RPS Calculator?*

No response.

3. *Should Diablo Canyon be assumed online or retired in the Trajectory case?*

No response.

4. *Is the treatment of energy storage for capacity value reasonable?*

No response.

5. *For existing resources that do not have announced retirement dates, Staff may assume a resource retires based on facility age. Facility age is calculated from Commercial Online Date, but the COD may not be available for some resources. If no COD is available, is it reasonable to assume the resource does not retire* within the planning horizon? If not, please provide an alternate methodology and justification from a public data source as needed.

No response.

6. *How should the capacity value of energy storage, demand response, and demand side resources (PV, CHP) be allocated to small geographic regions and/or busbars and how should the capacity value be adjusted to account for locational and operational characteristics uncertainty?*

This question is inconsistent with the statement in the Planning Assumptions document that the Energy Division will arrive at some agreement with the CAISO as to the answer to this question. If the Commission is soliciting

[6] Id., at pp. 14-15.

input on this matter, it should take that input into account and not defer to the CAISO.

7. *Decision (D.13-10-040) established storage goals for each of three categories – transmission, distribution, and customer-side of the meter, but does not specify the function(s) to be provided. Should storage modeling be focused on deep multi-hour cycling to support operational flexibility or rapid cycling for ancillary services? How should the production profile of each category of storage identified in the CPUC Storage Target Decision be modeled – as a fixed profile or as a dispatchable resource?*

No response.

8. *Should incremental small PV and small CHP on the customer side of the meter be modeled as demand-side load reduction or supply side generation? How should the production profile of each resource type by modeled? Should the same modeling convention be used in all 2014 LTPP and 2014-15 TPP studies or may specific studies make this decision in a manner best suited to the topic being studied?*

No response.

9. *Is the forecast of incremental small PV (beyond what is embedded within the IEPR forecast) on the demand side reasonable? If not, please provide an alternate forecast and justification from a public data source as needed.*

10. *Is the forecast of incremental CHP on the demand side and the supply side reasonable for the scenarios that include those forecasts? If not, please provide an alternate forecast and justification from a public data source as needed.*

III. CONCLUSION

CLECA appreciates the opportunity to provide limited response to the questions posed by ALJ Gamson on the Planning Assumptions. The Commission's stated goal for DR is to "enhance the role of demand response programs in meeting the state's long-term clean energy goals while maintaining system and local reliability." CLECA supports this goal, and it should be reflected

as an assumption in at least one or more scenarios that include greater levels of demand response.

Respectfully submitted,

Counsel to the California Large Energy Consumers Association

January 8, 2014