

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
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON DECEMBER 18, 2013 WORKSHOP MATERIALS**

January 15, 2014

SARA STECK MYERS
Attorney for the
Center for Energy Efficiency and
Renewable Technologies

122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net

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
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON DECEMBER 18, 2013 WORKSHOP MATERIALS**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the December 18, 2013 Workshop Materials identified in the Administrative Law Judge's (ALJ's) Ruling served by electronic mail to the service list in the prior Long Term Procurement Plan (LTPP) Rulemaking (R.) 12-03-014 on December 19, 2013 (12-19-13 ALJ's Ruling). These Reply Comments are filed and served pursuant to the Commission's Rules of Practice and Procedure and the 12-19-13 ALJ's Ruling, which included the direction to file these Comments in R.13-12-010, the "successor proceeding" to R.12-03-014.

**I.
MULTIPLE PARTIES, INCLUDING CEERT, HAVE URGED SCENARIOS
AND ASSUMPTIONS THAT BETTER REPRESENT AND FURTHER
CALIFORNIA'S CLIMATE CHANGE AND RESOURCE PLANNING POLICIES.**

In its Opening Comments filed on January 8, 2014, CEERT took exception to Staff's "Scenario 5" (40% RPS [Renewable Portfolio Standard] in 2030) and "Scenario 6" (Expanded Preferred Resources) both limiting assumed renewable resources to a 40% RPS by 2030. As CEERT stated in those comments, "a 40% RPS in 2030 shortchanges and inappropriately limits the role that renewables can and should play in the 'mix of infrastructure' to meet energy needs through 2030."¹ Consistent with the Loading Order and this State's climate change policies, including the mandated reduction in greenhouse gas (GHG) emissions by 2020, it is CEERT's

¹ CEERT Opening Comments, at pp. 2-3.

position that either an additional scenario or amendment of the Expanded Preferred Resources Scenario must be based on a 50% RPS in 2030.²

CEERT was not alone in voicing this concern, which extends to inappropriate limitations on assumptions used for renewables as well as other preferred resources, such as energy efficiency and demand response. Thus, like CEERT, Natural Resources Defense Council (NRDC), Union of Concerned Scientists/Sierra Club (UCS/Sierra Club), and VoteSolar Initiative (VoteSolar) have all called for an increase of the “40% RPS by 2030” to both a higher short term goal of 40% RPS by 2024 and the longer term goal of 50% or 51% RPS by 2030.³

More significantly, these parties, along with the Environmental Defense Fund (EDF) and EnerNOC, Inc. (EnerNOC), recognize the need today to develop scenarios that plan for much more aggressive reliance on preferred resources (i.e., energy efficiency, demand response, renewables) and storage, especially bulk storage, to achieve California’s impending Climate Change and greenhouse gas (GHG) emission reduction targets. From EDF’s perspective, even the Staff’s “‘expanded preferred resources (EPR)’ scenario does *not* represent the energy system needed to meet 2050 greenhouse gas pollution caps.”⁴ EDF also notes that the “conservative” assumptions used by the Staff are not supported by appropriate statistical analysis and result in “clean energy resources ... not being adequately represented in both the long-term procurement (LTPP) and long-term transmission (TPP) modeling scenarios.”⁵ Similarly, EnerNOC demonstrates in its Opening Comments, the Staff’s “preferred resource” planning assumptions and scenarios have “significant shortcomings” and specifically “fail to adequately represent demand response (DR) potential; fail to incorporate any growth over current levels of DR,

² CEERT Opening Comments, at pp. 2-3.

³ NRDC Opening Comments, at pp. 4, 12; UCS/Sierra Club Opening Comments, at pp. 4-5; VoteSolar Opening Comments, at p. 3.

⁴ EDF Opening Comments, at p. 4; emphasis added.

⁵ EDF Opening Comments, at p. 4.

including the Expanded Preferred Resources Scenario; leave the determination of efficacy of DR resources for local reliability purposes to the discretion of the CAISO and the project team; and fail to adequately consider non-dispatchable DR as a modification to the load forecast as small commercial customers and residential customers are exposed to time variant pricing.”⁶

In these circumstances, UCS/Sierra Club correctly conclude that “aggressive levels of investments in preferred resources by 2030,” including additional energy efficiency, demand response, and storage, are required especially for California to “begin the necessary planning process in order to make deep reductions in electricity sector carbon emissions.”⁷ As NRDC and Office of Ratepayer Advocates (ORA) have also confirmed, the need to correct for these deficiencies and model additional preferred resources “above what is mandated” is also necessary to achieve consistency with the Loading Ordering that requires procurement of “energy efficiency, demand response, and renewable resources before conventional gas-fired generation.”⁸

With respect to renewables, UCS/Sierra Club’s Comments also demonstrate that the “overly conservative level of 33% [RPS] by 2024” not only wrongly assumes that there will be “no continued progress on increasing the RPS beyond the 33%,” but also ignores the passage of AB 327, which amends Public Utilities (PU) Code 399.15(b)(3) to make clear that the Commission can authorize renewables procurement *above* the 33% RPS by 2020.⁹ In these circumstances, not only is a 50% RPS by 2030 assumption appropriate, given “the existing deployment rate of renewable resources and a lower bound of 2050 emission reduction

⁶ EnerNOC Opening Comments, at p. 2.

⁷ UCS/Sierra Club Opening Comments, at p. 11. See also, ORA Opening Comments, at pp. 1-2; EDF Opening Comments, at p. 3.

⁸ ORA Opening Comments, at p. 2; NRDC Opening Comments, at pp. 4-6. See also: UCS/Sierra Club Opening Comments, at pp. 2-4; VoteSolar Opening Comments, at p. 3; EDF Opening Comments, at pp. 3, 4.

⁹ UCS/Sierra Club Opening Comments, at p. 4. See also, R.11-05-005 (RPS) Third Amended Scoping Memo (January 13, 2014), at pp. 2-4, which specifically identifies implementation of AB 327 as a current issue in the RPS rulemaking.

trajectory,” but the shorter term assumption of “40% renewables by 2024” should also be used, especially to “ensure adequate plans are made to expand renewable energy development in a cost-effective and orderly manner.”¹⁰

From CEERT’s perspective, all of these comments provide strong support for the Commission not only to improve the existing scenarios to include increased assumptions of preferred resources, but also to require the Staff to run a new scenario that is based specifically on low carbon (low GHG emissions)/low gas assumptions for 2024 and 2030. This work is required today to ensure that planning and procurement that is authorized over the next ten years will in fact put California on the correct “trajectory” toward achieving compliance with its GHG reduction targets. The current scenarios, as EDF observes, simply do “*not* represent the energy system needed to meet 2050 greenhouse gas pollution caps.”¹¹

III. CONCLUSION

CEERT renews its request, as supported by multiple parties, for the inclusion, at least, of a 50% RPS by 2030 scenario in the 2014 LTPP analysis. However, a more important “ask,” given the pressing need to make progress toward GHG emission reductions, is for the Commission now to include a low carbon, low gas scenario in its 2014 LTPP planning scenarios.

Respectfully submitted,

January 15, 2014

/s/ SARA STECK MYERS

Sara Steck Myers
Attorney for CEERT

122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net

¹⁰ UCS/Sierra Club Opening Comments, at pp. 4-5.

¹¹ EDF Opening Comments, at p. 4; emphasis added.