

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 30, 2013)

**COMMENTS OF ENVIRONMENTAL DEFENSE FUND REGARDING THE SCOPING
MEMORANDUM ISSUED ON DECEMBER 30, 2013**

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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.

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I. INTRODUCTION

The Environmental Defense Fund (“EDF”) respectfully submits these Comments¹ in response to the Scoping Memorandum issued by the California Public Utilities Commission (“Commission”) on December 30, 2013. EDF welcomes the opening of this docket, in which the Commission will consider, its “electric resource procurement policies and programs, and how to implement them...”² and “...consider unresolved issues from Rulemaking (R.) 12-03-014, including issues related to the overall long-term need for new system and local reliability resources.”³

As discussed below, EDF seeks clarification with respect to two of the issues included in the Preliminary Scoping Memorandum, and respectfully suggests additional issues to be included in this docket.

¹ The Order Instituting Rulemaking invited comments on the Preliminary Scoping Memorandum be filed by February 3, 2014, p.15.

² *Id.* at 2.

³ *Id.*

II. DISCUSSION

Currently, The Preliminary Scoping Memorandum identifies three general issues for the 2014 procurement planning cycle.⁴ The first general issue states,

(1) Identify CPUC-jurisdictional needs for new resources to meet local or system resource adequacy (RA), operational flexibility, or other requirements and to consider authorization of IOU procurement to meet that need. This includes issues related to long-term renewable planning and need for replacement generation infrastructure to eliminate reliance on power plants using OTC.

EDF seeks clarification as to when and how the Energy Division's current modeling in the Resource Adequacy (RA) proceeding, Rulemaking 11-10-023, will be included as part of consideration of this issue. Based on the Staff Proposals presented at the January 27, 2014 workshop, the modeling and methodologies adopted in the RA proceeding would directly impact general issue one; further guidance on the interrelationship of the two proceedings, as well as the use of related analytical tools, is necessary in this docket.

In addition to the above clarification, EDF offers two additional sub-issues to be considered under general issue one:

- Whether existing reliability methodologies properly reflect the link between reliability and safety. The Preliminary Scoping Memorandum specifically calls out safety as a "top priority for the CPUC..." and indicates that the Commission "...may request procurement authorization requests to include information related to safety standards and considerations."⁵ In this respect, in addition to the utility system there is an array of practices and technologies in place to maintain such essential services as emergency communication and refrigeration systems (e.g., emergency curtailment protocols; back-up batteries). An inventory of this realm

⁴ Preliminary Scoping Memorandum, page 8.

⁵ Page 12.

is merited as part of the procurement planning process, as well as an examination of how to properly account for it in reliability planning, and to encourage it to evolve in more environmentally benign ways.

- How changing conditions, including new forecasts, can be dynamically incorporated into the long-term procurement planning (“LTPP”) proceeding so as to reflect state-of-the-art knowledge. The Preliminary Scoping Memorandum states the Commission has, “coordinated our efforts in this proceeding with the CEC and CAISO to establish common assumptions, scenarios and RPS portfolios for use in the 2014 LTPP and 2014-15 TPP processes.”⁶ EDF also recommends that in addition to such coordination, the forecasts reflect the most state-of-the-art knowledge to properly plan for system needs in a thorough and effective manner.

The third general issue of the Preliminary Scoping Memorandum states,

(3) Develop or refine procurement rules that were not resolved in R.12-03-014 and consider other emerging procurement topics not expressly covered in other rulemakings.

EDF seeks clarification on how the issues identified and preliminarily analyzed in Track 2 of Rulemaking 12-03-014, but not fully litigated, will be addressed in general issue three. The Preliminary Scoping Memorandum states, “Staff held workshops related to Track 2 to review models and modeling results prepared by both SCE and CAISO related to the need for the authorization to procure new resources to satisfy the need for flexibility in the system. Modeling results on flexibility have not been formally considered by the Commission because the CAISO stated at a September prehearing conference (PHC) that it was not prepared to submit testimony

⁶ Preliminary Scoping Memorandum, page 10.

on the topic. Therefore, a Ruling issued on September 16, 2013 deferred Track 2 to this new Rulemaking...”⁷

EDF notes that on January 17, 2014, Southern California Edison Company (“SCE”) published *Intermittent Resource Integration*, which it developed as part of Track Two. In addition to the need to examine SCE’s proposed underlying methodology, assumptions, and data, this analysis prompts a number of issues that are ripe for consideration in this proceeding, including whether the type of probabilistic model presented by SCE should be vetted in this docket, and, if so whether it should be modified to incorporate environmental impact estimates; and how best to capture uncertainty as part of resource policy decisions in the context of LTPP-related probabilistic modeling.

III. CONCLUSION

WHEREFORE, EDF respectfully requests the Commission clarify the issues identified and include the two additional issues in the Scoping Memorandum of the 2014 LTPP proceeding

⁷ Page 6.

Respectfully signed and submitted on February 3, 2014

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