

**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 12-03-014
(Filed March 22, 2012)

**OPENING COMMENTS OF EDF RENEWABLE ENERGY, INC.
ON PROPOSED DECISION OF ALJ GAMSON**

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March 3, 2014

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In accordance with the provisions of Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), EDF Renewable Energy, Inc. hereby submits these comments on the Proposed Decision (“PD”) of Administrative Law Judge David M. Gamson entitled *Decision Authorizing Long -term Procurement for Local Capacity Requirements Due to Permanent Retirement of the San Onofre Nuclear Generating Stations* that was issued in Track 4 of this proceeding on February 11, 2014.

I. INTRODUCTION

EDF Renewable Energy is a developer, owner and operator of wind, solar, biomass, and biogas resources that is headquartered in San Diego and currently employs over 300 people in California. To date, EDF Renewable Energy has developed over 3,600 megawatts (“MW”) of wind projects, over 230 MW of solar photovoltaic projects, and 100 MW of biomass/biogas projects across the United States, including numerous wind and solar projects in California. EDF Renewable Energy’s interest in Track 4 of this proceeding stems primarily from its ongoing efforts to develop cost-effective pumped hydro storage projects that can support and enhance the reliability of the electric transmission system while also providing a myriad of other direct

procurement benefits to the investor-owned utilities (“IOUs”) and their customers . In that regard, EDF Renewable Energy urges the Commission to adopt the PD’s treatment of pumped hydro storage, such that large-scale (50 MW or more) pumped hydro projects are included within both the PD’s open and preferred resources procurement authorizations.

II. COMMENTS

The PD authorizes Southern California Edison Company (“SCE”) and San Diego Gas & Electric Company (“SDG&E”) to each procure 500 -700 MW of electric generation capacity by 2022 to meet local capacity needs stemming from the permanent retirement of the San Onofre Nuclear Generation Stations (“SONGS”).¹ The PD’s procurement authorization with respect to SCE is in addition to the authorization granted to SCE in Decision (“D.”) 13 -02-015, the 2013 Track 1 decision in this proceeding, to procure 1,400 -1,800 MW in the LA Basin, resulting in a cumulative authorization for SCE of 1,900 -2,500 MW.² Moreover, the PD’s procurement authorizations for SCE and SDG&E, like that in D.13-02-015, is broken down into “buckets” for preferred resources (such as renewable power, demand response resources and energy efficiency), energy storage systems as defined in the Commission’s 2013 *Decision Adopting Energy Storage Procurement Framework and Design Program* (D.13-10-040), and natural gas-fired resources.³

Most importantly, from EDF Renewable Energy’s perspective, the PD provides that bulk energy storage and large -scale pumped hydro storage projects “shall not be excluded” from the preferred resources procurement bucket.⁴ Accordingly, under the PD, pumped hydro is included

¹ PD at 1.

² *Id.*

³ *Id.*

⁴ *Id.* at 91-92.

in not only SCE's and SDG&E's minimum and optional "all source" solicitations, but also in the utilities' minimum and optional preferred resource solicitations.

The PD's treatment of large -scale pumped hydro storage is appropriate for several reasons. First, as the Commission correctly observed in D.13-10-040, pumped hydro projects "offer similar benefits as all of the emerging storage technologies" targeted by the energy storage procurement program adopted in that decision.⁵ Those potential benefits include not only grid optimization, renewable resource integration, and greenhouse gas emissions reductions, but also the flexibility to support and enhance grid reliability at both the system and local level.

Second, the Commission was careful to make clear in D.13-10-040 that the only reason large-scale PSH was excluded from the program was the potential for the procurement of such projects to effectively "max out" the procurement targets for energy storage and thereby "inhibit the fulfillment of the market transformation goals" underlying the program.⁶

Third, the Commission was also careful to make clear that the exclusion of large -scale pumped hydro projects from the program established in D.13-10-040 "does not preclude their participation in other procurement programs designed to provide benefits to the system."⁷ Indeed, the Commission expressly encouraged the IOUs to "explore opportunities to partner with developers to install large-scale pumped storage projects where they make sense within the other general procurement efforts underway in the context of the LTPP [Long-term Procurement Plan] proceeding or elsewhere."⁸ And beyond simply encouraging the IOUs to explore PSH, the Commission concluded as a matter of law that "pumped storage projects larger than 50 MW

⁵ D.13-10-040 at 36; *see also id.* at 72, Finding of Fact 12.

⁶ *See, generally*, D.13-10-040 at 34-36; *see also id.* at 72 and 74, Findings of Fact 13-15 and Conclusion of Law 9.

⁷ *Id.* at 36-37.

⁸ *Id.* at 36.

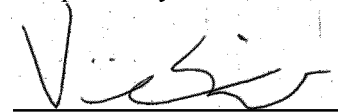
should be evaluated by utilities in their generation solicitations for new capacity in other proceedings.”⁹

In light of the Commission’s prior determinations and conclusions , there can be no question but that the LTPP in general is an appropriate venue for the consideration of the procurement of large-scale pumped hydro. Moreover, given the unquestioned potential for PSH to meet local reliability needs such as those at issue in Track 4 of the this LTPP proceeding, it is entirely appropriate for SCE and SDG&E to not only consider large -scale PSH alongside other types of generation resources, but to also treat large -scale PSH the same as other preferred resources.

III. CONCLUSION

For the reasons stated above, EDF Renewable Energy urges the Commission to adopt the PD’s treatment of large -scale pumped hydro such that such projects are included in both SCE’s and SDG& E’s “all source” procurement authorizations and the utilities’ preferred resource procurement authorizations.

Respectfully submitted,



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⁹ D.13-10-040 at 74, Conclusion of Law 9.