

**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 THE CALIFORNIA WIND ENERGY ASSOCIATION
ON THE PROPOSED DECISION AUTHORIZING LONG-TERM PROCUREMENT
FOR LOCAL CAPACITY REQUIREMENTS DUE TO PERMANENT RETIREMENT
OF THE SAN ONOFRE NUCLEAR GENERATIONS STATIONS**

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*On behalf of the California Wind Energy
Association*

March 3, 2014

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The California Wind Energy Association (“CalWEA”) offers these brief opening comments on the February 11, 2014, Proposed Decision on Track 4 in the 2012 long-term procurement proceeding (“Proposed Decision” or “PD”) pursuant to Article 14 of the Rules of Practice and Procedure of the Public Utilities Commission (“Commission”) and the instructions accompanying the PD.

The PD authorizes Southern California Edison Company (“SCE”) and San Diego Gas & Electric Company (“SDG&E”) to procure a combined total of a minimum of 600 MW up to a maximum of 1,400 MW by 2022. CalWEA had recommended that the Commission authorize the two utilities to procure a combined total of up to 850 MW. Nevertheless, we believe that the PD is thoughtful and reasonable in its assessment of a procurement authorization, at this time, for an amount of resources significantly less than indicated to be necessary in the ISO’s Track 4 study. CalWEA concurs with the PD that SCE’s Mesa Loop-In transmission proposal “is a promising and reasonably likely alternative to other new resources in the LA Basin” that will, if approved in the ISO’s current transmission planning process, substantially reduce the need for generation resources. Findings of Fact 36 and 39 at 122-123.

CalWEA also argued that each of the Commission’s utility authorizations for new resources should be conditioned on simultaneously fulfilling the utilities’ energy storage procurement requirements under D.13-10-040, given that no more cost-effective opportunity for storage is likely to arise in the timeframe of the storage mandate than the location-constrained need that is being addressed by this PD (whose timeframe largely coincides with that of the storage mandate). While the PD declines to adopt such a condition because “[i]t is too early to know if [the storage] targets are too high, too low, or just right” (PD at 96), the PD -- importantly -- enables energy storage to be procured as part of the utilities’ preferred resources requirements or all-source authorizations, subject to any other conditions in the decision. PD at 97. The PD also sets aside specific procurement amounts for energy storage resources anticipated in D.13-10-040 and states that the preferred resource category should include large pumped hydro facilities. PD at 99.

CalWEA believes that including energy storage within the preferred resource category – within the limited context of this decision that addresses local reliability needs -- will provide a strong incentive for the utilities to seek to fulfill their storage mandates as they satisfy those local reliability needs. First, SCE has identified a very specific location -- the vicinity of the Johanna and Santiago substations -- where resource additions will be highly valuable in addressing the local reliability need; energy storage is at least as likely to be feasible in this location as other preferred resources. Second, although SCE, CAISO and other utilities and stakeholders are now working to define the specific characteristics that preferred resources and energy storage resources must have to meet local reliability needs, most storage resources are scalable both in capacity and energy values, can sustain upward or downward ramps, respond for defined periods of time and react quickly, and are more easily sited and interconnected to transmission and

distribution facilities in desirable locations. As a result, these resources are more likely than preferred resources to have the required combination of characteristics necessary to address local reliability needs: location, timing, and duration of energy savings or load reductions, as well as other characteristics well-suited to local reliability needs.

For these reasons, CalWEA urges the Commission to adopt the Proposed Decision.

Respectfully submitted,

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