

**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)

**MOTION OF THE CALIFORNIA WIND ENERGY ASSOCIATION
AND THE UNION OF CONCERNED SCIENTISTS FOR ADDITION TO THE
SCOPING MEMO AND RULING**

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May 23, 2014

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I. INTRODUCTION

Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Wind Energy Association (“CalWEA”) and the Union of Concerned Scientists (“UCS”) hereby request that the Commission add two essential questions to the list provided in the *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge* issued on May 6, 2014 (Scoping Memo). These questions should be categorized under the appropriate phase of the proceeding pursuant to the May 20, 2014, motion of the Independent Energy Producers Association (“IEP”), which proposes to categorize the Scoping Memo questions into Phase 1a and Phase 1b categories and which we support for the reasons stated by IEP.

II. DISCUSSION

The questions provided in the Scoping Memo focus on the “need for system resources” and “procurement authorization” as they relate to grid operational flexibility needs. However, there are many flexibility options that are not typically thought of as “system resources” and may or may not need procurement authorization. Specifically, these options include: developing a

portfolio of renewable resources that minimizes total costs; improving the flexibility of the existing thermal fleet to enable additional downward flexibility and ramping capability; considering regional coordination opportunities (such as the CAISO’s Energy Imbalance Market (EIM) initiative); exporting surplus power to neighboring states; and limited energy curtailments.¹

These additional – and possibly lower-cost – options that address flexibility needs must be squarely addressed in the LTPP process. If the cost of a solution that avoids incremental generation procurement is less than the cost of other mitigation measures, this solution measure can and should be pursued first. Thus, CalWEA and UCS request that the Commission add questions along these lines to a revised scoping memo:

- For Phase 1a: “If an insufficiency of flexible resources is found, what is the total cost of that insufficiency (i.e., the cost of curtailed energy and the cost of unserved energy demand based on an assumed, not infinite, value)?” Quantifying the “insufficiency of flexible resources” in this way would enable the Commission to compare the costs of different mitigation measures relative to the cost of reducing flexibility violations in Phase 1b.
- For Phase 1b: “How does the cost of adding flexible generation or alternative flexible resources (e.g., demand-side flexibility, exporting excess power, enhancing regional coordination, energy storage, or improving the flexibility of the thermal fleet) compare to

¹ For a discussion of the likely flexibility needs and mitigation approaches, see: Energy and Environmental Economics, *Investigating a Higher Renewables Portfolio Standard in California* (January 2014) at Section 4.6; CalWEA, “Investigating the Investigation of a Higher Renewables Portfolio Standard in California: A Review of the Five-Utility E3 Study” (April 2014); and Crossborder Energy, “50% Renewables: Too Much of a Good Thing?” (March 24, 2014).

the cost of the insufficiency of flexible resources, including consideration of greenhouse gas emissions costs?”

CalWEA and UCS hope to discuss these issues with the parties conducting studies for this proceeding, and other stakeholders, at the June 6, 2014, LTPP workshop.

III. CONCLUSION

For the foregoing reasons, CalWEA and UCS support the motion of IEP to categorize the Scoping Memo questions into Phase 1a and Phase 1b categories and request additions to the questions in support of least-cost solutions to flexibility needs.

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Respectfully submitted,

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