



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Develop
an Electricity Integrated Resource Planning
Framework and to Coordinate and Refine
Long-Term Procurement Planning
Requirements.

R.16-02-007
(Filed on February 11, 2016)

**REPLY COMMENTS OF THE CALIFORNIA COMMUNITY CHOICE ASSOCIATION
IN RESPONSE TO RULING SEEKING COMMENT ON FILING REQUIREMENTS
FOR 2020 INTEGRATED RESOURCE PLANS**

Irene K. Moosen
California Community Choice Association
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94521
415.587.7343
regulatory@cal-cca.org

Director, Regulatory Affairs
California Community Choice Association

Evelyn Kahl
Ann Springgate
Meghan Thomas
Buchalter, A Professional Corporation
55 Second Street, Suite 1700
San Francisco, CA 94105
415.227.0900
ekahl@buchalter.com

Counsel to
California Community Choice Association

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TABLE OF CONTENTS

	<u>Pages</u>
I. INTRODUCTION AND SUMMARY	1
II. QUESTIONS RELATED TO SECTION 2: GENERAL RULES AND GUIDELINES.....	2
III. QUESTIONS RELATED TO SECTION 3: TECHNICAL REQUIREMENTS	2
A. Question 9: Use of IRP Planning Standards	2
B. Question 10: Areas for Planning Standards	3
IV. QUESTIONS RELATED TO SECTION 4: LSE PLAN COMPONENTS	3
A. Questions 15 & 16. Local Air Pollutants/Disadvantaged Communities	3
B. Question 26: Reliability Assessment/Local Capacity Areas	4
C. Question 28: Resource Mix	5
D. Question 34: Other	5
V. CONCLUSION.....	6

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The California Community Choice Association¹ (CalCCA) submits these reply comments pursuant to the *Administrative Law Judge’s Ruling Seeking Comment on Filing Requirements for 2020 Integrated Resource Plans* dated September 20, 2019 (Ruling).

I. INTRODUCTION AND SUMMARY

CalCCA appreciates the opportunity to provide these reply comments in response to the comments filed on the Ruling and the Staff Proposal on October 14, 2019. CalCCA members are dedicated to working with the Commission and other jurisdictional load-serving entities (LSEs) to ensure that the statewide resource planning process enables California to fulfill its reliability and climate goals.

¹ California Community Choice Association represents the interests of 19 community choice electricity providers in California: Apple Valley Choice Energy, CleanPowerSF, Clean Power Alliance, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Monterey Bay Community Power, Peninsula Clean Energy, Pioneer Community Energy, Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Jacinto Power, San Jose Clean Energy, Silicon Valley Clean Energy, Solana Energy Alliance, Sonoma Clean Power, and Valley Clean Energy.

II. QUESTIONS RELATED TO SECTION 2: GENERAL RULES AND GUIDELINES

CalCCA has no additional comment on Section 2 of the Staff Proposal.

III. QUESTIONS RELATED TO SECTION 3: TECHNICAL REQUIREMENTS

A. Question 9: Use of IRP Planning Standards

A few parties have advocated that the planning standards should form the basis for an enforcement and citation program in the current cycle contrary to the Staff Proposal.² As CalCCA expressed in its Opening Comments, the development of a citation program in the current cycle is premature.³ The planning standards on which such a citation and enforcement program would necessarily be based have yet to be adopted or implemented. By necessity, the enforcement program should not be created until after the planning standards are adopted. Thus, imposing a citation program in the current cycle, before standards have even been adopted, is premature.

CEJA/SC states that “without enforcement, this process may become a meaningless planning exercise that does not reflect the actual procurement that is occurring.”⁴ CalCCA disagrees. While enforcement is important, it does not justify the creation of a citation program in the current cycle. Enforcement programs already exist: the statutory obligations set forth in SB100 and SB350 along with other Commission programs⁵ already impose clear compliance obligations. Thus, there is simply not an urgent need for the development of a compliance program in the current cycle.

² Comments of California Environmental Justice Alliance and Sierra Club (CEJA/Sierra Club Comments) at 9; Comments of the Public Advocates Office at 3; Comments of the Protect Our Communities Foundation (Protect Our Communities Comments) at 3.

³ Comments of California Community Choice Association (CalCCA Comments) at 15-16.

⁴ CEJA/Sierra Club Comments at 9.

⁵ See Commission Resource Adequacy requirements in R.17-09-020.

Lastly, not all planning standards lend themselves to a particular enforcement strategy or a citation program, and therefore further development and consideration is needed on a case-by-case basis. This analysis has not been done. However, even a cursory review indicates different standards may call for different penalties. Therefore, a “one stop” citation program would be not only premature, but inappropriate in this case.

B. Question 10: Areas for Planning Standards

SCE has suggested in its comments that an additional planning standard be developed to assess an LSE’s impact on available system ramping capacity.⁶ This suggestion is interesting, but incomplete. SCE fails to explain how this planning standard might be developed or utilized given the complex and changing outcomes that may result. In addition, at this stage it is premature to address system ramping capacity before the other more fundamental planning standards have been fully fleshed out.

IV. QUESTIONS RELATED TO SECTION 4: LSE PLAN COMPONENTS

A. Questions 15 & 16. Local Air Pollutants/Disadvantaged Communities

The Green Power Institute advocates in its comments for the Staff Proposal’s inclusion of an automatic air-pollutant emission calculation.⁷ This recommendation fails to acknowledge that not all Criteria Pollutant emissions have the same impact. For example, the impact of a Criteria Pollutant in a DAC is far greater than the impact in a sparsely populated desert location. Therefore as CalCCA recommended in its opening comments, a metric to measure emissions intensity (kg/MWh) should be included, rather than an automatic calculation.⁸ The impacts to

⁶ Comments of Southern California Edison Company (SCE Comments) at 11.

⁷ Comments of Green Power Institute at 14.

⁸ CalCCA Comments at 18-19.

DACs should also be prioritized in advance of a state-wide focus.

In addition, the Commission should carefully consider the impact a planning standard for local air pollutants may have on the procurement of gas resources, and whether that standard will affect grid reliability. The CAISO has stated that California needs gas resources in order to insure the reliability of the grid.⁹ A local air pollutant planning standard that makes gas an unattractive resource would create disincentives for LSEs to procure and thus retain any such needed resources. The result would be either increased CAISO backstop procurement or degradation in reliability. These potential consequences, and their potential impact on reliability, require further analysis.

B. Question 26: Reliability Assessment/Local Capacity Areas

In response to question 26, SCE raised the Commission’s Resource Adequacy proceeding and stated: “If a central buyer for local RA is established in the RA proceeding, then the IRP process will need to evaluate the structure of the central buyer to ascertain the impacts this may have to the development of new resources with local areas.”¹⁰ SCE fails to illuminate what these “impacts” may be or how the LSE planning standard related to sufficient capacity in local capacity areas may be modified. Regardless, SCE’s comment is premature. While there is currently a proposal before the Commission for the establishment of a residual Central Buyer¹¹ there has been no decision made and a central buyer structure is not currently in place.

⁹ See California Independent System Operator July 22, 2019 comments in R.16-02-002 at 6.

¹⁰ SCE Comments at 21.

¹¹ See Joint Motion of a Settlement Agreement for a “Residual” Central Procurement Entity Structure for Resource Adequacy, in R.17-09-020, August 30, 2019.

C. Question 28: Resource Mix

CalCCA agrees with the numerous parties that advocate for a methodology based approach rather than an allocation based approach when determining the optimal portfolio. CalCCA reiterates that Section 454.51 of the Public Utilities Code does not require CCAs to duplicate a portfolio prescribed by the Commission, and the Commission has no authority to mandate the portfolio mix that each CCA maintains. Each CCA’s governing board and statutory requirements dictate a CCA’s resource mix. As noted in CalCCA’s Opening Comments,¹² the Commission should make clear that while CCA portfolios must meet statutory mandates and provide for the CCA’s self-procured share of renewable integration resources, CCAs are not otherwise required to propose a portfolio mix that conforms to the Staff’s optimal portfolio.

If the Commission were to adopt a prescribed resource mix without allowable deviation, it would be in violation of state statute and subject to legal challenge. Furthermore, it is not necessary. Providing LSEs with metrics (*e.g.*, greenhouse gas emissions) and standards to use when procuring their portfolio achieves the same desired result, while allowing CCAs to maintain their statutorily-afforded autonomy.

D. Question 34: Other

Ormat Technologies comments focused on resources to offset the retirement of Diablo Canyon Power Plant (DCPP).¹³ It advocates that “some portion of the GHG-free resources acquired to replace DCPP have the same operational characteristics of the nuclear power plant.”¹⁴ This comment may warrant further discussion. However, at this point the IRP planning standards should be concerned with matching attributes based on forecast needs instead of pre-

¹² CalCCA Comments at 6.

¹³ Comments of Ormat Technologies at 1.

¹⁴ *Id.* at 2.

supposing that the characteristics of DCP (e.g., baseload energy) are the right fit for the future.

V. CONCLUSION

CalCCA appreciates this opportunity to provide input in the Commission's development of IRP filing requirements and requests consideration of the recommendations offered in these reply comments.

Respectfully submitted,

A handwritten signature in blue ink that reads "Evelyn Kahl".

Evelyn Kahl
Counsel to the
California Community Choice Association

October 25, 2019