

California Community Choice Association

SUBMITTED 03/23/2023, 08:19 AM

Contact

Shawn-Dai Linderman (shawndai@cal-cca.org)

1. Please provide your organization's overall comments on the 2024 and 2028 Local Capacity Requirements Technical Study Draft Results.

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the 2024 and 2028 Local Capacity Requirements (LCR) Technical Study Draft Results (Draft Results). The Draft Results highlight the importance of how local capacity areas are studied to ensure reliable operations under a zero-carbon grid.

In the California Public Utilities Commission's (Commission) Integrated Resource Planning (IRP) proceeding (R.20-05-003), CalCCA and other parties recommended that the Commission, in coordination with the California Independent System Operator (CAISO), begin explicitly studying the ability to reliably serve load in local areas and disadvantaged communities with reduced reliance on fossil fuel resources. Specifically, CalCCA requested that the next sensitivity portfolios transmitted from the Commission to the CAISO for study in the Transmission Planning Process (TPP) should contemplate the retirement of fossil fuel resources in the local areas.^[1] In response to these requests and to the direction in Senate Bill 887, which requires the Commission to look at ways to reduce reliance on non-preferred resources in local areas, the Commission states in its D.23-02-040:^[2]

The importance of planning for additional natural gas plant retirements has been a priority for us for some time and Commission staff have begun work to develop this type of analysis. The analysis is complex, and we commit to beginning a process for stakeholder input on it in 2023. If it is ready, we will include it in consideration for a sensitivity analysis in the next TPP cycle.

The Draft Results highlight the importance of conducting this assessment as soon as possible. The ability to retire fossil fuel resources in local areas will depend on either (1) eliminating transmission constraints that limit the number of resources capable of serving load in the local area, or (2) bringing online enough effective carbon-free resources inside of the local area to replace the existing fossil fuel resources. The Draft Results show that local area requirements have reduced by over 40 percent in some areas due to new transmission.^[3] These results demonstrate, that when cost-effective, new transmission can be extremely effective at reducing reliance on resources inside the local area by increasing the ability to import resources outside the local area to load centers. Because local areas depend heavily on gas-fired resources, it will be critical for the CAISO and the Commission to identify when transmission can cost-effectively reduce LCRs to meet state policy goals. Studying reduced reliance on fossil fuel resources in local areas now will result in forward planning that ensures an orderly and reliable transition from reliance on fossil fuels in local areas at least cost.

[1] *California Community Choice Association's Reply Comments on Administrative Law Judge's Ruling Seeking Comments on Electricity Resource Portfolios For 2023-2024 Transmission Planning Process, Rulemaking (R.) 20-05-003 (Nov.10, 2022), at 3.*

[2] Decision (D.) 23-02-040, *Decision Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) and Transmitting Electric Resource Portfolios to California Independent System Operator for 2023-2024 Transmission Planning Process, R.20-05-003 (Feb. 23, 2023), at 78.*

[3] Requirements in the LA basin dropped from 7,529 MW in 2023 to 4,413 MW in 2024 due to new transmission.