

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

04/08/19
04:59 PM

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

Rulemaking 16-02-007
(Filed February 11, 2016)

COMMENTS OF SOLANA ENERGY ALLIANCE ON THE PROPOSED DECISION

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April 7, 2019

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Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Solana Energy Alliance (“SEA”), a Community Choice Aggregation (“CCA”) program formed by the City of Solana Beach (“Solana Beach”), submits these comments on the *Decision Adopting Preferred System Portfolio and Plan For 2017-2018 Integrated Resource Plan Cycle* (“PD”) issued on March 18, 2019, in the above-captioned proceeding. SEA filed an Integrated Resource Plan (“IRP”) that was accepted and certified by the Commission,¹ and appreciates the extensive efforts of the Commission and staff in developing regulatory mechanisms and oversight protocols in this area. The conclusion that individual resource choices by the LSEs did not collectively result in a sufficiently reliable or environmentally beneficial statewide portfolio is problematic, and it requires further analysis and additional steps in this proceeding to ensure that the statewide portfolio meets these important goals.

However, SEA cannot support the development of a procurement track as described in the PD because it is vague and unclear as to how it will address the problems that have been identified. Furthermore, the proposed procurement track includes questions that are outside the

¹ See Solana Energy Alliance 2018 Integrated Resource Plan, August 1, 2018.

scope of this proceeding and have already been settled by the legislature. Instead, SEA urges the Commission to continue its important work on resource planning issues within the IRP framework.

I. Background

SEA is CCA program formed by the City of Solana Beach (“Solana Beach”) and began serving customers on June 1, 2018. The program submitted its IRP on August 1, 2018,² and the IRP was subsequently certified by the Commission.³ The PD includes a scorecard for each individual LSE, including SEA, containing specific comments that will be taken into consideration as SEA develops and refines its plan for the next IRP cycle.⁴

II. Additional Work Must Be Done in This Proceeding to Ensure that California’s Reliability and Environmental Goals Are Met

SEA is concerned that the Commission arrived at the conclusion that the LSE IRPs, collectively, did not result in a reliable or environmentally beneficial portfolio at the state level.⁵ Nevertheless, this should not necessarily come as a surprise. As the Commission points out in the PD, this is the first time that LSEs have submitted individual IRPs for review.⁶ Recognizing that developing the IRP framework is a challenging undertaking from technical and other standpoints, especially given the recent changes in the composition of Load Serving Entities (“LSEs”) across the state, and one that is critical to the state’s decarbonization goals, SEA respectfully urges the Commission not lose sight of the fact that, relatively speaking, the IRP process is still in the early stages of development and should be treated that way.

² See Solana Energy Alliance 2018 Integrated Resource Plan, August 1, 2018.

³ PD at 22.

⁴ PD at 75-76.

⁵ PD at 156, Findings of Fact 14-16.

Specifically, as part of the process of developing more detailed filing requirements that the Commission plans for the next IRP filings,⁷ LSEs need to better understand the staff adjustments that were made and the specific reasons that led the Commission to conclude that there is uncertainty around resource commitments.⁸ Once that has been accomplished, criteria should be developed around meeting a greater degree of certainty. The criteria should reflect the principle that LSEs are different, and one size does not fit all. Finally, LSEs must implement the provisions of the IRPs, and the Commission should continue to develop ways of monitoring implementation. This effort must, of course, respect the autonomy that CCA programs have been granted under state law to make decisions about rates and procurement.⁹

III. The Procurement Track as Presently Described Is Vague and Unclear, and Does Not Address the Problems Identified in the Proposed Decision

While the PD identifies uncertainty around resource commitments and other issues that require further attention, SEA cannot support the development of a procurement track in this proceeding as presently conceived. As described in the PD, the procurement track is vague and unclear as to what the Commission plans to undertake and does not necessarily address the problems identified.

For example, the PD identifies the following question for the procurement track: “Who will procure?”¹⁰ That question has already been answered by customers who elected to take service from a CCA program, Direct Access (“DA”) provider, or Investor-Owned Utility

⁶ PD at 2.

⁷ PD at 19.

⁸ The PD addresses this issue, but the reasons need to be explored in greater detail. *See, e.g.*, PD at 101-104.

⁹ Pub. Util. Code, § 366.2(a)(5), (c)(1), (c)(3).

¹⁰ PD at 136.

(“IOU”), with the IOUs being the only available option when there is no CCA program or DA service available.

The PD also lists questions for the proposed procurement track: “Will all entities procure, or will some just have their customers pay?” This question is difficult to decipher, but it appears to be focused on rates, which may be appropriate for some LSEs in other regulatory proceedings, e.g., an IOU’s general rate case, but has limited applicability here in the IRP proceeding. While SEA recognizes the need to continue to develop and refine the IRP process, it cannot support a procurement track that lacks clarity and direction, and includes questions that appear to be unrelated to the main problem identified, which is uncertainty around resources. The scoping process that would presumably take place for a procurement track cannot cure fundamental conceptual problems of this nature.

IV. Conclusion

SEA appreciates the opportunity to submit these comments on the PD. Submission of IRPs is an entirely new process, and some adjustments to the process are to be expected. Further work on the IRP filing requirements and development of regulatory oversight, as the Commission is already planning to do, will help to refine the process. Important questions to address are: (1) What are the specific reasons that led the Commission to conclude that there is uncertainty around resource commitments? (2) What criteria should be used to determine adequate certainty? (3) How can LSEs implement the provisions of their IRPs to achieve greater certainty? (4) How can the Commission best monitor implementation to meet the requisite criteria? For all the reasons stated above, SEA does not support moving forward with a procurement track, at least not as presently conceived.

Dated: April 7, 2019

Respectfully Submitted,

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