

**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.

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

**REPLY COMMENTS OF THE AMERICAN WIND ENERGY ASSOCIATION  
CALIFORNIA CAUCUS ON PROPOSED DECISION ADOPTING  
PREFERRED SYSTEM PORTFOLIO AND PLAN FOR  
2017-2018 INTEGRATED RESOURCE PLAN CYCLE**

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April 15, 2019

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In accordance with Rule 14.3 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedures, the American Wind Energy Association California Caucus (“AWEA-California”) respectfully offers these reply comments responding to the opening comments of parties on two issues AWEA-California raised in its opening comments: (I) Clarification Regarding the Procurement Track; and (II) the Transmission Planning Process.<sup>1</sup>

**I. Clarification Regarding the Procurement Track**

Numerous parties expressed support for a “procurement track” but differed in their positions on what the procurement track should address.<sup>2</sup> For example, SCE and PG&E supported the initiation of a procurement track and offered comments on issues that should be clarified in the context of the procurement track and requested additional opportunity to comment on the scope of procurement.<sup>3</sup> TURN suggests that the Proposed Decision should

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<sup>1</sup> Members of AWEA-CA include global leaders in utility-scale wind energy development, ownership, and operations. Many members also develop and own other energy infrastructure such as transmission lines, utility-scale solar, and energy storage. AWEA-CA is unanimous in its commitment to the need for—and widespread economic benefits derived from—a diverse and balanced resource portfolio in California that reliably and affordably meet state energy demands and environmental goals. The AWEA-CA strives to direct the economic and environmental benefits of utility-scale wind energy to California.

<sup>2</sup> SCE at p. 6; PG&E at p. 5; CalWEA at p. 3; CESA at p. 3; TrasnWest at p. 2; GPI at p. 5; CEJA and Sierra Club at pp. 2 -3.

<sup>3</sup> SCE at p.6.; PG&E at p.5.

establish that the first portion of this track will resolve threshold questions relating to the development of a backstop procurement process to execute unsatisfied resource commitments needed to meet clean energy, reliability or system optimization needs.<sup>4</sup> Clearly, there are important questions that must be resolved prior the commencement of procurement. AWEA-California agrees with CEJA and the Sierra Club, who “encourage the Commission to immediately begin work on the procurement track because effective procurement is needed now and will take time to implement.”<sup>5</sup> AWEA-California reiterates its request that the Commission resolve these questions as expeditiously as possible by specifically adopting AWEA-California’s proposed changes to the findings and conclusions that would state the goal of completing the track as soon as possible with procurement completed by the end of 2019.

Some parties recommend evaluating the effect of existing resources that are rolling off of contracts and the effect that retirement (particularly among in-state renewables) may have on the net-short for renewable capacity in the Preferred System Plan (“PSP”).<sup>6</sup> AWEA-California agrees that the assumption about renewables rolling off of contracts needs to be revisited, but recommends doing so in the context of developing the 2019-20 Reference System Plan. In order for procurement to take place expeditiously and provide parties with as much certainty as possible heading into the procurement track, procurement should focus on securing the residual need in the Preferred System Plan, as outlined in the Proposed Decision.

## **II. Transmission Planning Process**

Numerous parties supported the inclusion of an out-of-state policy sensitivity being conveyed to the CAISO for the 2019-20 TPP and also questioned the assumptions in the PSP predicated on new renewables energy resources being procured as “energy-only”.<sup>7</sup> AWEA-California agrees with First Solar’s observation that: “An IRP that does not account for all costs needed to deliver firm power or how to contract for non-firm power will not be able to successfully guide LSEs to meet state objectives. Specifically, the EO assumptions fail to effectively direct the CAISO TPP to identify reasonable transmission upgrades that open up considerable access to low-cost renewable resources to meet these goals.” CEERT opined that

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<sup>4</sup> TURN at p.2.

<sup>5</sup> CEJA and Sierra Club at pp. 2-3.

<sup>6</sup> GPI at p. 10; CalWEA at p. 3.

<sup>7</sup> SWPG at p. 2; TransWest at p. 2; LS Power at p. 2; CEERT at p. 2; First Solar at p.3.

“it may very well be that transmission upgrades and expansions to improve deliverability of resources is more cost effective in the long term than contracting for other unneeded GHG-emitting resources for RA in addition to EO resources to meet the RPS.” The issue here is that the portfolios conveyed to the CAISO do not account for the transmission needed to deliver RPS resources to load. While AWEA-California supports the out-of-state policy sensitivity, conveying this sensitivity as a policy base case would better address the “chicken-and-egg” problem of diversifying the RPS portfolio through new transmission development. The Commission should take steps to address that chicken-and-egg problem now. We also agree that in the next cycle, the RSP should not assume that there will be such a high level of energy-only resources.

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Respectfully submitted,

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