

**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)

**EAST BAY COMMUNITY ENERGY AND PENINSULA CLEAN ENERGY  
NOTICE OF EX PARTE COMMUNICATIONS**

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April 16, 2019

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

Order Instituting Rulemaking to Develop  
an Electricity Integrated Resource  
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**EAST BAY COMMUNITY ENERGY AND PENINSULA CLEAN ENERGY  
NOTICE OF EX PARTE COMMUNICATIONS**

Pursuant to Rule 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), East Bay Community Energy (“EBCE”) and Peninsula Clean Energy (“PCE”) hereby give notice of the following *ex parte* communications regarding the Integrated Resources Planning (“IRP”) Rulemaking.

The first in-person communication occurred on April 11, 2019, from approximately 1:00 p.m. to 1:30 p.m. with Sean Simon, advisor to Commissioner Rechtschaffen. Melissa Brandt, Senior Director of Public Policy and Deputy General Counsel for EBCE initiated the meeting, which was also attended by Nick Chaset, CEO at EBCE, Joe Wiedman, Director of Regulatory and Legislative Affairs at PCE, and Doug Karpa, Senior Regulatory Analyst at PCE.

Mr. Chaset reiterated the CCAs’ commitment to participate through the IRP process to ensuring that the state reach its goals, which are aligned with CCA goals. Mr. Chaset expressed concerns that the first IRP process was a test run, the models and the required inputs were constantly changing, and the results are not sound enough to be used to order procurement at this time. He discussed the embedded cost advantages that accrue to public entities like Community Choice Aggregators (“CCAs”) on account of

their tax status, and suggested that modeling should account for those tax benefits that ultimately accrue to ratepayers when public entities are the primary procurement agents. Without accounting for this, the models will not accurately reflect cost effectiveness of procurement options. Mr. Wiedman discussed the importance of planning for natural gas retirements, and the need for this planning to be a more explicit component in the IRP, laying out a roadmap for natural gas phase-out targets that load-serving entities (“LSEs”) can then use in making future procurement decisions. Mr. Chaset pointed to the Oakland Clean Energy Initiative, which is a partnership between EBCE and PG&E to invest in energy storage resources to meet a local reliability need, as an example of how with proper information about where investments are needed, CCAs are able to invest strategically to affordably reduce GHGs while contributing to local reliability. Dr. Karpa brought up concerns related to the current models, especially because the modeling results differ substantially from each other depending on the model type and assumptions, suggesting that the models may not be mature enough to be sufficiently reliable at this time. Therefore, the models and inputs need to be addressed to improve results in the 2019-2020 cycle.

In conclusion, Ms. Brandt suggested that the Commission should consider revising the PD to focus the procurement track on more granularity around what resource types are needed, where, and in what timeframe to meet state goals. While the procurement track could explore a framework for backstop procurement, it would be premature to go farther and order any specific procurement until the models are improved and the needs are clearly identified for LSEs to respond to in their next IRP iterations. Otherwise, the CPUC would risk increasing customers’ costs unnecessarily by ordering

excess procurement, locking into too rigid of a schedule that forecloses taking advantage of falling technology costs, or failing to properly identify optimal procurement needs.

No written material was used during the communication.

The second in-person communication occurred on April 15, 2019, from approximately 1:30 p.m. to 1:45 p.m. with Amy Reardon, advisor to Commissioner Guzman Aceves. Melissa Brandt, Senior Director of Public Policy and Deputy General Counsel for EBCE initiated the meeting, which was also attended by Doug Karpa, Senior Regulatory Analyst at PCE.

Ms. Brandt expressed concerns that the first IRP process was a test run, the models and the required inputs were constantly changing, and the results are not sound enough to be used to order procurement at this time. Dr. Karpa reiterated the CCAs' commitment to participate through the IRP process to ensuring that the state reach its goals, which are aligned with CCA goals. Dr. Karpa brought up concerns related to the current models, especially because the modeling results differ substantially from each other depending on the model type and assumptions, suggesting that the models may not be mature enough to be sufficiently reliable at this time. Furthermore, the modeling is not adequate to distinguish between the two portfolios and determine which portfolio is either more reliable or of lower GHG emissions, which means that there may not in fact be a gap of any significance. The models and inputs need to be addressed to improve results in the 2019-2020 cycle, and before relying on the output of the models to direct procurement.

Ms. Brandt discussed the importance of planning for natural gas retirements, particularly in vulnerable communities, and the need for this planning to be a more

explicit component in the IRP, laying out a roadmap for natural gas phase-out targets that load-serving entities (“LSEs”) can then use in making future procurement decisions. Ms. Brandt pointed to the Oakland Clean Energy Initiative, which is a partnership between EBCE and PG&E to invest in energy storage resources to meet a local reliability need, as an example of how with proper information about where investments are needed, CCAs are able to invest strategically to affordably reduce GHGs in disadvantaged communities while contributing to local reliability.

In conclusion, Ms. Brandt and Dr. Karpa suggested that the Commission should consider revising the PD to focus the procurement track on more granularity around what resource types are needed, where, and in what timeframe to meet state goals. While the procurement track could explore a framework for backstop procurement, it would be premature to go farther and order any specific procurement until the models are improved and the needs are clearly identified for LSEs to respond to in their next IRP iterations. Otherwise, the CPUC would risk increasing customers’ costs unnecessarily by ordering excess procurement, locking into too rigid of a schedule that forecloses taking advantage of falling technology costs, or failing to properly identify optimal procurement needs.

No written material was used during the communication.

Respectfully submitted,



Melissa Brandt

Attorney for  
East Bay Community Energy

Dated: April 16, 2019