



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)

**COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION ON PROPOSED
DECISION ADOPTING PREFERRED SYSTEM PORTFOLIO AND PLAN FOR 2017-
2018 INTEGRATED RESOURCE PLAN CYCLE**

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Date: April 8, 2019

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Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (the “Commission”), the Large-scale Solar Association (LSA) respectfully submit the following comments on the Proposed Decision Adopting Preferred System Portfolio and Plan for 2017-2018 Integrated Resource Plan Cycle (“Proposed Decision” or “PD”) dated March 18, 2019.

I. Introduction

LSA appreciates the time and effort of all of the parties in this Integrated Resource Planning (IRP) proceeding. LSA supports many aspects of the PD, including Conclusion of Law 9, which require LSEs in their individual IRPs in the future to distinguish contractual obligations and development status of individual resource choices within their portfolios, and to provide this information to Commission staff no later than June 14, 2019, and the inclusion of a procurement track in the IRP Proceeding, detailed in Order Paragraph 11. We are concerned however, that the PD errs in several areas and includes facts and conclusions that are not based on information included in the record of this proceeding. LSA urges the Commission to reject Findings of Fact 18, 21 and 24, and to modify Conclusion of Law 16. LSA is further concerned the Commission has not met the standard of review that it establishes in Finding of Fact 13 with regard to IRP plan reliability and cost. Finally, LSA believes the PD’s allocation of firm transmission capacity for new resources is inappropriate and discriminatory against solar resources.

II. Discussion

This first IPR cycle the Commission has undertaken has been very educational, teaching all IRP participants what the IRP process should be and where improvements are required for future IRP cycles led by the Commission. LSA is encouraged with the Commission implementing a procurement track in the IRP, and we look forward to participating in this portion of the proceeding to ensure there is a robust and competitive market.

A. The Commission Has Not Met the Standard of Review That It Establishes in Finding of Fact 13

Finding of Fact (FOF) 13¹ states “ The Commission’s primary responsibility, in implementing the provisions of Public Utilities Code Sections 454.51 and 454.52, is to ensure an electric resource portfolio, for the aggregated LSEs within its purview, that meets the state’s GHG emissions, reliability, and cost requirements, as well as other state goals.” LSA agrees with this but finds the PD’s Preferred System Plan (PSP) does not fulfill this responsibility.

LSA and other participants, including Protect our Communities and Peninsula Clean Energy, noted at the Commission’s April 4, 2019 all-party meeting that minor modifications to resource plans can have major impacts on the results. The PSP in the PD is substantially different from all previous IRP plans and has not been fully vetted in a production cost model (SERVM) to assess whether it meets reliability criteria, quantifies system emissions, or consider the plan costs. The description of the proposed PSP in the PD states:

...the main differences between the HCP and the portfolio we are adopting as the PSP (the RSP, with 2017 IEPR assumptions and a 40-year fossil-fueled resource age limit) are in the amounts of wind, solar, and geothermal generation, as well as battery storage.²

The description of the PSP suggests the portfolio was only minorly tweaked, but these are not minor differences – the PSP uses a different load forecast, different existing resources and a very different set of renewable resources than was modeled in either the Commission’s Reference System Plan (RSP). These changes have a substantial impact on existing resource operations

¹ PD, p.155

² PD, p. 112

and system dispatch, with the net effect on system operations unknown. We cannot infer this plan is superior based on a qualitative comparison of this resource plan to substantively different resource plans. As such, it is impossible to conclude it is either more reliable or results in lower GHG than the HCP. Further, the PD is silent on the consideration of costs for this or other resource plans, rendering it impossible to assess whether it meets the state's cost requirements.

B. Commission Should Reject Findings of Fact 18 on Environmental Impacts of Renewables

The PD appears to establish a new standard for renewable resources that is not expressed either in legislative or Commission policy. FOF 18 states “The HCP had more renewable capacity but produced less renewable energy than the RSP with 2017 IEPR assumptions, which is contrary to the state's environmental goals.” The PD provides no reference or support to the assertion that the state has a preference for high-density energy resources, nor does it explain how these resources are environmentally superior. The environmental impact of resources is technology and location specific, and there has been no discussion in this proceeding or elsewhere that quantifies or ranks the environmental value of individual resource types. The Commission should reject this Finding of Fact in the Decision.

C. Commission Should Reject Findings of Fact 21 on PSP Reliability or Complete Additional Analysis to Validate Reliability

The PD FOF 21 asserts that the revised plan is reliable, which should either be rejected by the Commission or the PSP should be modeled in the SERVIM model to validate the conclusion. FOF 21 concludes:

It is possible to infer based on analyses conducted by Commission staff, CAISO, and SCE, that the RSP adopted in D.18-02-018, with adjustments updated to reflect the 2017 IEPR assumptions and including a new assumption of a 40-year life for natural gas resources, would represent a more reliable portfolio than the HCP.

It is impossible to reach this conclusion with the information provided in the PD or public information on the PSP. As noted above, the PSP in the PD is substantially different than any previous IRP plans, including a different load forecast and a vastly different resource plan than was modeled in either the Commission's RSP or the HCP. This will impact existing resource

operations and system dispatch, with the net effect on system operations unknown and unable to be inferred based on analyses of substantially different resource plans. As such, it is impossible to conclude the PSP is more reliable than the HCP.

LSA notes that the use of the SERVVM production cost model to assess the reliability, emissions and costs was employed by Staff in the IRP only after proceeding participants insisted that during the development of the RSP this was necessary, as the chronological dispatch methodology used in the SERVVM model is substantially more detailed than the 37-sample day methodology used in the RESOLVE model. Indeed, there were substantial differences in the system emissions and curtailment between the two models which would not have been known had the SERVVM modeling not been completed. Given the importance of system reliability, the proposed PSP should either be modeled in SERVVM to validate the reliability of the plan or this FOF should be removed from the PD.

D. Commission Should Modify Conclusion of Law 16 on IRP Resource Consideration to Include Transmission

The Commission should adopt a modified Conclusion of Law (COL) 16 to ensure that transmission is explicitly included as a resource option in the IRP. COL 16 states “The IRP process should continue to focus on all types of resources, including renewables and non-renewables, as well as existing and new resources, in an integrated manner.”

Transmission additions, both within California and regional transmission, allow for access to resource options that are lower cost, enhance the integration of renewables and carbon-free resources on the grid, and provide for greater system reliability. A failure in this IRP iteration is the exclusion of transmission as a resource to meet requirements. In this iteration, both the HCP and the PSP assumed a static transmission system, limiting opportunities for resources that could result in a lower-cost and more robust plan.

E. Commission Assumptions of Firm Transmission Capacity Should be Modified Going Forward

The PSP includes new and inappropriate transmission assumptions that should not be repeated in future IRP plans. There is currently insufficient transmission capacity available to

provide for full capacity delivery service (FCDS) for all of the resources identified in the PSP. To date there has been no assignment of firm capacity to specific resources in a transmission constrained area, nor has this assumption been vetted during the IRP process. The PSP does however, allocate firm transmission capacity explaining “To the extent possible, new geothermal and wind resources were changed to be fully deliverable since these are higher capacity value resources that would typically bid into resource solicitations as providing resource adequacy capacity.”³ LSA is very concerned this attempt to allocate transmission capacity misconstrues the CAISO transmission allocation process, and discriminates against solar resources.

CAISO allocates transmission delivery status in the interconnection process based on interconnection request priority, not resource type. Given that the resources currently in the queue are mostly solar, it is highly likely that most current FCDS transmission will be allocated to solar resources, with incremental wind and geothermal resources requiring new transmission to achieve FCDS. To the extent the IRP assumes wind and geothermal resources will be FCDS, the full cost of transmission upgrades to interconnect these should be added to individual resource capital cost.

LSA objects to how and when this assumption was developed. The allocation of capacity to a resource can have a significant impact on the value of that resource and this assumption, if it is required for IRP at all, should have been developed and vetted as part of the Inputs and Assumptions in this proceeding, not as part of the proposed decision. Going forward the Commission should deliberate this assumption, and refrain from developing and implementing important resource assumptions in a proposed decision.

³ PD, p. 118

III. Conclusion

LSA appreciates the opportunity to offer these Comments on the Proposed Decision Adopting Preferred System Portfolio and Plan for 2017-2018 Integrated Resource Plan Cycle.

Date: April 8, 2019

/s/ Tim Mason

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VERIFICATION

I, Tim Mason, am the Policy Director of the Large-scale Solar Association. I am authorized to make this Verification on its behalf. I declare that the statements in the foregoing copy of these *Comments of the Large-scale Solar Association on the Proposed Decision Adopting Preferred System Portfolio and Plan for 2017-2018 Integrated Resource Plan Cycle* are true of my own knowledge, except as to the matters, which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.
Executed on April 8, 2019 at Berkeley, California.

/s/ Tim Mason

Tim Mason
Policy Director
Large-scale Solar Association