



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

04/15/19  
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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 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 15, 2019

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

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 reply 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. The Preferred System Plan Should Not be Deemed Reliable**

LSA agrees with comments by PCE, CAISO and PG&E that the Preferred System Plan (PSP) has not been sufficiently vetted to be deemed reliable. The PSP is fundamentally a new resource plan, and the assertion that it is similar enough to the Commission’s 2018 Reference System Plan (RSP) to conclude that it achieves all state renewable procurement and climate goals and is likely reliable is unproven. As PG&E summarizes:

Unfortunately, there is also not a sufficient record to determine whether the PD’s proposed PSP, which creates a new portfolio based on the RSP...is reliable or whether it meets the State’s Renewables Portfolio Standard (RPS) and GHG goals.<sup>1</sup>

LSA concurs with the CAISO that the PSP should be further vetted and if necessary, modified in the procurement track if this proceeding to ensure that meets state RPS and GHG goals and ensures system reliability. As CAISO concluded:

Instead, the PSP should be vetted and improved as the Commission undertakes the new procurement track in this proceeding. The next IRP cycle should also explore more

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<sup>1</sup> PG&E Comments, p. 8

diversified portfolios, including a deep decarbonization portfolio to position the system to meet Senate Bill 100 long-term goals.<sup>2</sup>

LSA appreciates this is the first time through the IRP process and several course-corrections were made during the proceeding based on new and updated information, but reliability is an important requirement for any resource plan and the Commission must ensure that it applies the rigorous testing required to deem a resource plan “reliable”.

## **II. The Commission Should Assess the Feasibility of Energy Only Resources in the Procurement Track**

LSA concurs with First Solar, CEERT and SEIA that the reliance on Energy Only (EO) resources in the PSP to meet demand is infeasible and endorses the First Solar proposal for the Commission convene a workshop to assess the feasibility of EO resources in CPUC and CAISO system planning. The PSP assumes approximately two-thirds of new solar capacity will be interconnected as EO resources rather than as Full Capacity Delivery Status (FCDS) resources. While this was determined to be part of an optimal resource plan in the RSP, resource plan filings by LSEs in 2018 demonstrate a clear preference for FCDS resources, with no expressed interest in EO resources. This lack of market demand for EO resources strongly indicates the PSP EO assumptions are critically flawed, resulting in a plan with a very low probability of being implemented by LSEs.

To better understand the market demand and feasibility of EO resource development for future planning activities, LSA endorses First Solar’s proposal<sup>3</sup> to convene a workshop to assess the feasibility of EO Resources in system planning and LSE resource procurement as part of the proposed IRP procurement track. It is imperative that CPUC and CAISO system planning includes resources that are likely to be developed and contracted, and there is no record in this proceeding, or indications from the energy market, that there is any demand for EO resources.

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<sup>2</sup> CAISO Comments, p.4

<sup>3</sup> First Solar Comments, p.5, “First Solar recommends the Commission coordinate a workshop with the CAISO to discuss the ramifications of relying significantly upon EO resources for future needs. Specifically, this workshop would review EO procurement and contracting requirements, concerns of the renewable development community, and the needed transmission upgrades and associated costs that could facilitate EO resource contracting. This workshop could be held concurrently with the procurement track, referenced on page 136 of the PD, so that the lessons learned and solutions identified are incorporated in a timely manner.”

Conducting a workshop with all market participants that identifies the market interest in and the probability of development of EO resources, and the allocation of transmission to resources in the planning process, will better allow all IRP participants to understand how these resources are defined, the risks associated with them, and how they should be considered in system planning.

### **III. The Commission Should Include Inverter-based Resources as Renewable Integration Resources**

LSA supports the expansion of renewable integration resources in the CPUC and CAISO system planning processes to incorporate the full capability of renewable and inverter-based resources, as proposed by SDG&E, First Solar and SEIA. As discussed by SDG&E:

the Commission must consider the definition of renewable integration resources. Historically, renewable integration resources have been considered to be traditional flexible resources like gas-fired plants and energy storage. However, in a world where 100 percent clean energy is the ultimate goal, this definition will likely need to be expanded to allow intermittent resources to provide integration support for other intermittent resources.<sup>4</sup>

As First Solar and SEIA discuss, and LSA has previously commented on in this proceeding, inverter-based resources such as solar and storage have the capability to provide a range of integration services required for reliable system operation and should be modeled accordingly in CPUC and CAISO system planning. Modeling and dispatching these resources with their full integration capabilities will allow the inverter-based resources to maximize their value, reduce the need for additional generating resource to provide integration services, and result in lower system costs and requirements. The CPUC should use updated inverter-based generation integration capabilities in all future system modeling.

### **IV. The Commission Should Not Adopt a Revised Policy Base Case**

The PD proposes the PSP to be both the reliability base case and the policy base case for CAISO Transmission Planning Process (TPP) modeling. AWEA and CEERT propose the Commission should accept the PSP sensitivity analyses out-of-state (OOS) transmission analysis as a policy base case, so the CAISO will study this as part of their 2019-2020 transmission plan. LSA strongly supports CAISO studying additional OOS transmission that would allow

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<sup>4</sup> SDG&E Comments, p.10

additional renewables to participate in the CA market and expand the regional market for energy but opposes the Commission adopting the OOS sensitivities included in the PD as a policy base case. The current PD sensitivities assume development of non-California transmission that is highly unlikely to be developed by 2030, and it is dangerous for California to propose transmission for low-probability resources to meet its SB100 targets.

Accessing New Mexico wind will require the development of the proposed SunZia line, a \$2 billion, 520-mile project with a proposed path from central New Mexico to Arizona. The line has been in development for over ten years, but in September 2018 the New Mexico Public Regulation Commission declined to let the SunZia line go ahead, noting the developers had “failed to sufficiently define the location of the transmission line route for which it seeks approval.”<sup>5</sup> Similarly, accessing Wyoming wind will require substantial new transmission additional. The TransWest Express (TWE) project, a \$3 billion, 730-mile DC transmission line from Wyoming to Nevada, has been under development since 2008 and is still under review. There is no current estimated on-line date for this project, and given the size and current level of regulatory approval, it is highly unlikely it will be constructed by 2030.

## **V. Conclusion**

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

Date: April 15, 2019

*/s/ Tim Mason*

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<sup>5</sup> <https://www.lcsun-news.com/story/news/local/new-mexico/2018/09/06/prc-rejects-sunzia-transmission-line-project/1211636002/>

## 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 *Reply 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 15, 2019 at Berkeley, California.

*/s/ Tim Mason*

Tim Mason  
Policy Director  
Large-scale Solar Association