BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



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 November 29, 2018)

COMMENTS OF LS POWER DEVELOPMENT, LLC TO THE PROPOSED DECISION ADOPTING PREFERRED SYSTEM PORTFOLIO AND PLAN FOR 2017-2018 INTEGRATED RESOURCE PLAN CYCLE

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 LS POWER DEVELOPMENT, LLC TO THE PROPOSED DECISION ADOPTING PREFERRED SYSTEM PORTFOLIO AND PLAN FOR 2017-2018 INTEGRATED RESOURCE PLAN CYCLE

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), LS Power hereby submits these comments on *Proposed Decision Adopting Preferred System Portfolio and Plan for 2017-2018 Integrated Resource Plan Cycle* ("PD"), issued by Administrative Law Judge ("ALJ") Julie A. Fitch on March 18, 2019.

I. <u>SUMMARY</u>.

LS Power appreciates the opportunity to provide comments on Proposed Decision ("PD") Adopting Preferred System Portfolio and Plan for 2017-2018 Integrated Resource Plan Cycle ("PD"), issued by Administrative Law Judge ("ALJ") Julie A. Fitch on March 18, 2019. LS Power supports the Proposed Decision with the following caveats.

Procurement Track should be technology neutral

Commission proposed starting a Procurement Track in Summer 2019 to tackle some of the critical questions with respect to procurement of adequate clean resources while addressing reliability at lowest cost through 2030. The PD makes reference to procurement of long-duration (8 hour) storage. Table 6 of the PD recommends the addition of 1,342 MW's of Pumped Storage

Hydro as a Policy Sensitivity Study # 1 scenario for the CAISO Transmission Planning Process study.

LS Power recommends that any discussions at the Procurement Track for this proceeding with respect to long-duration storage should be technology neutral. We further recommend that the CPUC proposed Policy Sensitivity # 1 Scenario for the CAISO TPP study also be technology neutral. Currently, the IRP PD recommends that the CAISO model 1,342 MW's of Pumped Storage. If the need is for long-duration storage products (such as 8 hours duration), then that need should be specified rather than selecting a particular technology. Remaining technology neutral can lead to superior reliability and cost-effective solutions. For instance, if other storage technologies can meet an 8-hour duration or multiple somewhat shorter duration projects meet a need more effectively and at a lower cost, these other technologies should be considered for meeting the 8-hour duration need rather than artificially specifying a single technology which could potentially increase the cost for meeting that reliability need. An example of this could be multiple long and short battery storage projects located within load pockets meeting local reliability needs more effectively than a single pumped storage project at a great distance meeting a less valuable system need.

Out of State Renewables should be not be limited to Wyoming & New Mexico Wind

As currently proposed, PD recommends a Policy Sensitivity # 2 Scenario for CAISO TPP with 6,250 MW of Out of State Wind. 4,250 MW of this Out of State Wind is recommended to come from Wyoming & New Mexico. LS Power would like to bring to the Commission's attention that several thousand MW's of new renewables are currently under development in Idaho and northern Nevada. Since the time Input Assumptions were finalized for the 2017-18 IRP, there have been several new renewable projects that have entered the respective queues of PacifiCorp, Idaho

Power and NV Energy. There is more than 3,300 MW of wind, pumped storage, hydro and

geothermal under development in Idaho alone. There are also renewable resources being

developed in Nevada and Pacific Northwest that could access CAISO along with potential

Montana and Wyoming resources.

LS Power recommends that any discussions under the procurement track with respect to

Out of State renewables should be geographically neutral. Further, these discussions should be

coupled with the cost and timing of building new transmission required to deliver these resources

to California. Narrowly identifying new wind resource areas as Wyoming and New Mexico will

limit the options to meet this policy objective and could lead to an overall increase in the cost to

serve load.

II. **CONCLUSION.**

LS Power appreciates the opportunity to submit these comments to the PD and we look

forward to working with the Commission and Staff under the Procurement Track for this

proceeding.

Respectfully submitted,

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