

**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)

**INFORMAL REPLY COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
FOLLOWING THE DECEMBER 16, 2016, WORKSHOP  
ON THE REFERENCE PLAN FOR THE IRP-LTPP PROCEEDING**

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***On behalf of the California Wind  
Energy Association***

January 20, 2017

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Pursuant to the December 27, 2016, email from Forest Kaser of the California Public Utilities Commission’s (“Commission”) Energy Division staff, the California Wind Energy Association (“CalWEA”) submits these informal reply comments on Energy Division’s questions posed after the December 16, 2016, Workshop on the Reference Plan for the IRP-LTPP Proceeding. We comment on the January 13, 2017, opening informal comments of Imperial County, San Diego Gas & Electric Company (“SDG&E”), Solar Energy Industries Association (“SEIA”), Southern California Edison Company (“SCE”), and The Utility Reform Network (“TURN”).

**1. IRP Approach: Number of Futures, Plans and Sensitivities**

As did CalWEA, a number of parties recommended that the proposed approach to the IRP studies be simplified.<sup>1</sup> In particular, SDG&E (at p. 3) and SCE (at p. 6) proposed that Candidate Plans be viewed as sensitivities to the base case, as CalWEA also recommended. We find SDG&E’s stepwise proposal to be particularly appealing: determine what sensitivities should be run only after the results of the base case are shared with the parties. (SDG&E at pp. 2-3.) TURN (at p.2) also advises an iterative approach. CalWEA agrees that, based on experience

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<sup>1</sup> See, e.g.; TURN at p. 1-2; CCA Parties at p. 8-9; SDG&E at pp.2-3; SEIA at p. 1-2; and Southwestern Power Group at p. 2.

with the LTPP studies in the past, an iterative approach is most likely to ensure that the modeling effort is successful.

SDG&E suggests that a few initial sensitivities could also be initially run to help discern additional cases that would be most informative. CalWEA believes that it would not be necessary to run any sensitivities initially because all sensitivities could be better formed in view of the initial results. If, however, additional future scenarios or sensitivities are to be developed in parallel with the base case, they should be based on uncontrollable uncertainties that would have major impacts on the IRP results. Future load level is one such uncertainty that will have the greatest impact. Therefore, if additional future scenarios are to be developed, we agree with SCE (at p.4) that, in parallel to the base case, there should be a High Load Scenario and a Low Load Scenario.<sup>2</sup>

Some parties, such as Imperial County (at p.3) request additional Candidate Plans to evaluate resources that are unlikely to appear cost-effective in any single future. CalWEA has no objection to studying such scenarios. However, as we recommended in our opening comments and as other parties have recommended, these cases should be studied as sensitivities and not as Candidate Plans.

## **2. Comments Regarding Out-of-State (“OOS”) Wind**

A few parties attempt to preclude the IRP studies from considering the large potential of relatively low-cost OOS wind resources. Such positions reflect neither the law nor the various ways in which OOS wind could contribute to meeting the state’s policy goals. Rather, they appear to be thinly veiled attempts at knocking competitive resources out of view of IRP studies. Such appeals should be rejected.

Imperial County states, at p. 2: “all of the OOS wind resources face significant transmission constraints, transmission siting conflicts and costs for new transmission, or conflicts with other OOS resources for access to transmission.” As CalWEA articulated in opening comments, there are several ways outside of building new transmission that OOS wind could contribute to meeting state RPS goals,. Further, even with new transmission costs, OOS wind is

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<sup>2</sup> SCE also suggests an “Optimized Base Scenario” that would “release” all mandates. We see no point in releasing mandates unless there are legitimate concerns about the ability to meet them. Any such concerns should be specifically articulated.

expected to be competitive with geothermal resources, including all ancillary service values. Finally, we note that several transmission proposals targeted at bringing OOS wind into California are well along in their permitting processes, as is documented in the RETI 2.0 draft Plenary Report.

Similarly, SEIA argues (at p. 5), “Making procurement decisions in the near term to accommodate long lead times for complex projects forgoes the opportunity to take advantage of technology advances as they occur.” First, no “decisions” are being made in IRP; the purpose of Integrated Resource Planning is to help the state plan towards a least-cost future that meets all public policy objectives. While SEIA would like to rule out futures that are “dependent” on new transmission (or bulk storage<sup>3</sup>), applying such blinders would be antithetical to the IRP process. Second, as noted above, OOS wind is not dependent on new transmission. Finally, SEIA suggests that the state should count on potential cost reductions in battery technology to deliver more value than OOS wind (SEIA at p. 5). We note that building new transmission (let alone accessing wind without new transmission) is more within the state’s control than is low-cost battery storage.

Imperial County’s assertion (at p. 2) that “OOS wind does not meet many of the public policy goals adopted by the Legislature in SB 350 and AB 197” is patently unreasonable. The state’s Renewables Portfolio Standard (“RPS”) policy is aimed at promoting competition and achieving the state’s renewable energy goals at the least total cost. Fair and full consideration of low-cost renewable resources that are eligible under the state’s 50% RPS (a central provision of SB 350) is integral to the RPS and thus the IRP studies. The Commission will address other legislative goals in view of their cost, which can be assessed by the sensitivities conducted around the base case.<sup>4</sup>

As SCE stated (at p. 3), “[t]he amount of OOS wind that is evaluated should be large enough to understand the economic limit of this resource” and (at p.6), “any modeling efforts should ensure that all state mandates are modeled correctly ... [including] procurement limitations based on portfolio content category requirements.” TURN (at p.1) stated, and

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<sup>3</sup> SEIA suggests, at p. 4, that bulk storage should be considered in a separate proceeding.

<sup>4</sup> We note that none of the studies or reports cited by Imperial County concluded that new Salton Sea geothermal would be the most cost-effective means of achieving the state’s RPS or GHG goals, the CAISO’s operational needs, or any other state goals. The same is true of similar suggestions made by Ormat (at p. 2) and CEERT (at p. 2-3 and footnote 3 with regard to the draft RETI 2.0 Plenary Report).

CalWEA agrees, that it is not clear how incremental wind resources will be modeled with reference to the product content categories. Energy Division should make clear the quantity and type of OOS wind resources that are in its supply curve for the base case and, as CalWEA articulated in opening comments, those resources should reflect the myriad ways that these low-cost resources can contribute to California's clean energy future.

Respectfully submitted,

*/s/ Nancy Rader*

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