

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

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.	Rulemaking 10-05-006
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**PREHEARING CONFERENCE STATEMENT OF THE
LARGE-SCALE SOLAR ASSOCIATION**

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December 16, 2010

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I. INTRODUCTION

In accordance with the December 7, 2010 ruling by Administrative Law Judge (ALJ) Allen Setting Prehearing Conference (“PHC”), the Large-Scale Solar Association (“LSA”) files this PHC Statement. In this statement, LSA seeks clarification on the scheduling and outcomes of the LTPP proceeding and provides comments on the December 3, 2010 Assigned Commissioner and Administrative Law Judge’s Joint Scoping Memo and Ruling (“Scoping Memo”).

LSA appreciates the efforts of the California Public Utilities Commission (“Commission”) to account for renewables in this Long-Term Procurement Planning (“LTPP”) process. This new effort is an important step as California moves towards achieving its renewable goals. We applaud the Commission’s proactive approach in incorporating renewables into the LTPP process and attention to renewables integration. However, LSA is concerned that the rapid pace of the proceeding simply does not allow for the full stakeholder process needed to develop robust renewables planning assumptions, ensure appropriate parameters in the renewables modeling, and translate these assumptions into a determination of need for system resources and, in turn, procurement authorization.

Earlier in the proceeding, parties to the proceeding, including LSA, urged the Commission to conduct additional workshops on the planning assumptions.¹ After reviewing the Scoping Memo, LSA believes that there would be significant value in soliciting additional stakeholder input on the renewables planning assumptions in an additional workshop. LSA believes that the outcomes of this proceeding would be greatly improved with additional attention to the required assumptions adopted in the Scoping Memo. Moving forward with the current assumptions, in the absence of full stakeholder review, will affect the quality of the analyses and could lead to serious inaccuracies in the results. With limited additional effort upfront, the outcomes of these proceeding could be greatly improved.

In addition to raising concerns regarding the renewables planning assumptions, LSA seeks clarification on the Commission's vision for Track I of this proceeding – in terms of both scheduling and outcomes.

II. CONCERNS AND QUESTIONS REGARDING RENEWABLES PLANNING ASSUMPTIONS

Scoping Memo Section 3.1.3 addresses Standardized Planning Assumptions for Renewables. This section describes four different 33% RPS scenarios that the IOUs are required to study: Trajectory (with three versions: high demand, common value demand, and low demand), Time Constrained, Cost Constrained, and Environmentally Constrained.² LSA is still in the process of reviewing the Scoping Memo and the associated attachments and reserves the right to raise additional issues. In this statement, we identify a few initial questions and concerns. As stated above, LSA believes the renewables planning assumptions would benefit from additional stakeholder review.

¹ See, e.g., Comments of the Large-Scale Solar Association (“LSA”) on Resource Planning Assumptions – Part 2 (Long Term Renewable Resource Planning Standards) (July 9, 2010); Comments of San Diego Gas & Electric Company (U 902 E) on Prehearing Conference Statements Filed June 4, 2010 (June 25, 2010); Comments of Southern California Edison On Supplemental Comments On Resource Planning Assumptions — (Part 1) (July 12, 2010).

² Scoping Memo at 25-26.

LSA seeks clarification on which of these scenarios will be run through the California Independent System Operator's ("CAISO's") renewable integration modeling process.

To develop the different portfolios listed above, the Commission staff devised a scoring process described in Attachment 2 to the Scoping Memo, assigning resources a value for cost, environmental concern, and time. LSA has serious concerns about the environmental scoring methodology described in Attachment 2. This environmental scoring methodology represents a significant departure from the environmental scoring developed by the Renewable Energy Transmission Initiative ("RETI"). Specifically, the LTPP environmental scoring relies heavily on a single factor – project ground disturbance – using this as a multiplier to scale all of the remaining environmental indicators, whereas, in RETI, the eight environmental criteria (including project footprint) are all given equal weight in the environmental scoring. The LTPP environmental scoring compounds the problems created through its over-reliance on project ground disturbance by assigning a special 3.5% multiplication factor for wind projects. This means that LTPP environmental scoring assumes that the air space occupied by wind projects has no impact on the other environmental indicators – even including important bird areas. These changes fundamentally disturb RETI's balance of environmental factors. As the Scoping Memo appears to have intended to rely on RETI's environmental scoring as a methodology that had been thoroughly vetted by stakeholders, LSA urges revision of the LTPP scoring to track the weighting methodology developed by RETI. To the extent that there are significant changes from the RETI environmental scoring methodology, LSA contends that these changes should be both based on evidence of deficiencies in the RETI methodology and subject to stakeholder review in the LTPP. Neither of these two conditions have been met with respect to this substantial change to the environmental scoring methodology.

III. CLARIFICATION ON TRACK I SCHEDULING

The recently released Scoping Memo provides schedules for each of the three tracks in this proceeding. LSA seeks additional information and clarification regarding the deadlines for Track 1 of the proceeding.

According to the Scoping Memo, on March 11, 2011, Pacific Gas and Electric (“PG&E”) is required to file renewables integration results for all runs and CAISO is required to file renewables integration results for runs completed to date. LSA seeks clarification on whether and, if so, how the CAISO will prioritize the different scenarios it will run through the renewables integration model.³ To the extent that different scenarios are not completed by CAISO, LSA seeks information regarding how the investor owned utilities (“IOUs”) will develop their system plans in the absence of complete renewables modeling information for all scenarios. In addition, if modeling results from CAISO and PG&E are inconsistent for different scenarios, it is unclear how the IOUs should incorporate the modeling results into their system plans.

Following the March 11 submissions by PG&E and CAISO, parties are required to submit alternative scenarios, metrics, and common values by March 18. LSA is concerned that a week is not sufficient time for parties to review and digest the renewables integration results from PG&E and CAISO, let alone develop alternative scenarios that account for these results and the identified data gaps.

In addition, LSA requests that the Commission provide additional explanation about the form of the different data that parties are required to file by March 18 - alternative scenarios, metrics, and common values - and what information must be included in such a filing. In particular, the Scoping Memo does not address whether parties are responsible for providing renewable integration modeling information, including statistical simulation and production simulation, for alternative scenarios. LSA objects to any requirement that parties provide complex modeling information; such information requires significant resources and effectively excludes many parties from participating in this process. LSA requests

³ See Scoping Memo at 46 (March 11, 2011 “CAISO files RI results for runs completed to date”).

that the Commission provide templates for these different filings, so parties can provide all the required information in their filings. LSA contends that these templates and guidance could also help to facilitate the data adequacy review scheduled for April. LSA also seeks additional clarification on the relationship between the parties' March 18th filings and subsequent testimony.

In conjunction with providing templates for the alternative scenarios, metrics, and common values, LSA requests the Commission explain how parties can demonstrate compliance with the Guiding Principles. For instance, the Guiding Principles provided in the Scoping Memo require the plans to be informed by an open and transparent process. Additional Commission guidance on this topic would be helpful to parties. Similarly, the Scoping Memo requires that portfolio information "conform to the Portfolio Evaluation Criteria (presented in Attachment 1)"; however, there do not appear to be any standards to conform to, only required analyses to report.

From the current schedule, it is unclear when the IOUs will be filing their system plans. LSA wants to ensure that parties are given adequate time to review the system plans and prepare their responses in advance of the date that party testimony must be filed (June 2011).

The Track 1 schedule also calls for July comments on "possible Commission actions", which are to be submitted in advance of briefing. LSA requests additional information about the purpose and scope of the comments on "possible Commission actions."

IV. CASE ORGANIZATION

LSA requests information on the Commission's vision for how the renewables integration modeling will be reviewed and updated as the system resource plans developed in Track I of this proceeding feed into the development of the next cycle of bundled procurement plans. As LSA has expressed in previous comments, we believe that these renewable integration modeling efforts, while advancing the understanding and thinking on this complex subject, require

additional work and review before procurement decisions and resource commitments are made based on these results.

In light of the concerns expressed by LSA and other commentors regarding the significant uncertainty in the modeling assumptions and inputs, LSA remains concerned about the potential for these results to shape Commission decisions beyond the LTPP, in particular renewables procurement decisions. The Scoping Memo states “[i]f the need for new integration resources varies significantly across renewable generation scenarios – and the procurement authorizing resulting from the 2010 LTPP may thus accommodate one particular set or range of RPS resources but not another – then it would be appropriate to consider with parties the implications for RPS procurement.”⁴ If the modeling results indicate that procurement strategies for integration resources may accommodate only certain RPS portfolios, the Commission should review the assumptions and modeling parameters that might be driving such results and conduct sensitivities prior authorizing procurement of integration resources in a manner that could limit or constrain the procurement of RPS generation.

V. CONCLUSION

LSA appreciates the opportunity to provide input and seek clarification on the scheduling and outcome of the LTPP proceeding. We look forward to continued efforts with the other parties in the proceeding to achieve California’s renewable energy goals.

Respectfully submitted,

By: /s/ Shannon Eddy
Shannon Eddy
Executive Director, Large-Scale Solar Association

December 16, 2010

⁴ Scoping Memo at 29.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing ***PREHEARING CONFERENCE STATEMENT OF THE LARGE-SCALE SOLAR ASSOCIATION*** on all parties of record in R.10-05-006 by transmitting an email message with the document attached to their email addresses of record and, for those parties without a functioning email address of record, by mailing a properly addressed copy by first-class mail with postage prepaid to each party on the Commission's official service list for this proceeding.

This Certificate of Service is executed on December 16, 2010, at San Rafael, California.

/s/ Kristin Burford

Kristin Burford