

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

Order Instituting Rulemaking to Integrate and
Refine Procurement policies Underlying Long-
Term Procurement Plans

Rulemaking 08-02-007
(Filed February 14, 2008)

**COMMENTS OF THE LARGE SCALE-SOLAR ASSOCIATION (“LSA”)
IN REPOSE TO QUESTIONS REGARDING THE ENERGY DIVISION
STRAW PROPOSAL ON LTPP PLANNING STANDARDS**

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August 21, 2009

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Pursuant to the schedule adopted in the July 1, 2009 Amended Assigned Commissioner’s Ruling and Scoping Memo, the Large-scale Solar Association¹ (“LSA”) respectfully submits these comments in response to questions presented in the Energy Division (“ED”) Straw Proposal on Long Term Procurement Plan (“LTPP”) Planning Standards (“Straw Proposal”).

I. Introduction

LSA has reviewed the Straw Proposal and attended the workshops held on August 6th and 7th regarding the proposed requirements for procurement plans to be submitted in the current LTPP cycle. On a macro-level, applying the anticipated AB 32 regulatory obligations as the foundation for the LTPP planning standards makes sense. Compliance with California’s various energy policies and regulations will drive fundamental changes to the State’s electric grid over the coming years. The LTPP proceeding appropriately provides the central coordinating role in

¹ LSA represents ten of the nation’s largest developers and providers of utility-scale solar generating resources. Collectively, LSA’s members have contracted to provide over 5 gigawatts (“GW”) of clean, sustainable solar power under contract to California’s load-serving entities (“LSEs”). Its members develop, own and operate various types of utility-scale solar technologies, including photovoltaic and solar thermal system designs. LSA, and its individual member companies, are leaders in the renewable energy industry, advancing solar generation technologies and advocating competitive market structures that facilitate significant integration of renewable energy throughout the western United States. LSA actively represents the interests of utility-scale solar development in California, Arizona, and Nevada, and also works to shape regional and federal policies that affect solar development.

which the detailed policies developed in other dockets come together in a comprehensive manner for implementation. The LTPP process is where the utilities will present for Commission approval different procurement options intended to achieve the State's energy goals from the economic, environmental and reliability perspectives. Therefore, it is critical to ensure that the LTPP scenario assumptions reflect policies adopted in the various issue-specific proceedings as well as the Joint Energy Agencies' Energy Action Plan loading order, Renewable Portfolio Standard ("RPS") energy procurement requirements, GHG emission performance standards and anticipated need for emission reductions, energy efficiency, demand response, resource adequacy capacity procurement obligations and other policies.

While the LTPP docket is where the details developed elsewhere must come together, the fact that there are a multitude of Commission proceedings creates resource issues for participants not eligible for intervenor subsidies. LSA is concerned by the relatively large number of steps and inputs that feed into the final resource plans. The complexity and extended duration of the LTPP process will make challenges to the assumptions in the final resource plans much more difficult as assumptions become "locked down" in previous process steps. This iterative design essentially forecloses participation by some resource-constrained parties who may have focused their efforts in the other issue-specific dockets. Accordingly, LSA recommends that the Straw Proposal be refined to consolidate some of the components for the planning process. LSA also respectfully requests that "check-in" points be provided to allow all of the stakeholders a reasonable and fair opportunity to participate prior to any finalization or "lock-down" of any critical assumptions.

If some steps can be consolidated and issue-specific work can be relied upon throughout the process, LSA and other renewable groups that lack the resources necessary to effectively

participate in the full panoply of LTPP proceedings contemplated in the Straw Proposal can still meaningfully participate on their core topical issue areas. To ensure that the perspectives of solar and other renewable developers are incorporated into these proceedings, LSA respectfully requests that staff consolidate the LTPP and supporting RPS-related procurement issues. At each “check-in” point, we would request that ED Staff should solicit input from renewable stakeholders on discrete issues where their perspectives would provide important context to the Commission in making its ultimate decision, and where that decision would reasonably be expected to have a material impact on those stakeholders’ interests.

II. Specific Responses To Preliminary Post-Workshop Questions

Question 13: Do you concur with the proposed optional scenario for 2010 LTPP:

d. High In State Wind Scenario

LSA recommends that the High In State Wind Scenario be changed to a High In State Renewable Scenario in order to fully capture the benefit of having a diversified, in state renewable industry.

Question 19: Do you concur with the proposed base case inputs and assumptions on calculating residual net short for System and Bundled Plans?

To ensure that the proposed procurement plans meet economic, reliability, environmental and other policy goals, it is critical that the energy efficiency and demand resource forecasts accurately reflect attainable savings levels and not overestimate their contributions. Over reliance can lead to poor load forecast results that may erode grid reliability and the resources needed to meet capacity and RPS obligations. While the State’s goals for demand response and energy efficiency are unquestionably an important aspect of the overall resource plans, the focus of forecasting should be to provide the most accurate assessment of the State’s procurement needs as possible.

Question 21: Do you concur with the proposed inputs and assumptions on new resource cost and performance assumptions, in general, and in specific for the 2010 LTPP:

a. Renewable resource availability, cost, and performance?

Although the Implementation Analysis Working Group (“IAWG”) looked into how increasing levels of RPS requirements can be realized, the IAWG effort explicitly decided not to consider strong evidence about how the costs for central station and other large-scale solar technologies will significantly decline between now and 2020. While the IAWG consultant was clear that it excluded from its analysis the likely cost improvements that occur with technology innovation, the Commission’s LTPP should not make the same type of simplification. Adopting a snapshot assessment of current generation costs, without also explicitly recognizing that California’s RPS program is spurring innovation in those same technologies, will result in unnecessary limitations on the IOUs’ indicative plans and underestimate the full extent to which large-scale solar resources can help fulfill the growing RPS procurement obligation.

LSA also believes that highlighting the costs of the RPS program in the absence of any significant benefits analysis perpetuates the misperception that renewable energy is overly costly to the State, and ignores the Commission’s obligation to consider, carefully evaluate, and minimize the environmental impacts of its decisions, and to implement the legislative intent behind the RPS program. The range of environmental “co-benefits” has received short shrift, as have the economic consequences of those co-benefits. Ignoring these issues because of the difficulty in ascertaining the answers is itself not a responsible answer to the public, who bear both the real environmental costs of our energy infrastructure and the costs of upgrading it, whether to a renewable or business-as-usual future. Consistent with our earlier communications, we encourage the Commission to incorporate and quantify the various benefits of renewable

energy deployment (environmental, public health, gas hedging, etc.) into the overall LTPP analytics.

III. Conclusion

LSA appreciates the opportunity to comment on the Straw Proposal and commends Staff's efforts to accommodate California's various energy policies and goals into realistic resource planning options. LSA asks that Staff review the Straw Proposal with an eye toward consolidating certain steps so that the renewables community and other groups can provide input on those topical areas when it will be most valuable, and to provide explicit "check-in" points to ensure that stakeholders are given a meaningful opportunity to participate and contribute to this important work. Our concern is that the complex, iterative process makes it very difficult for groups other than the IOUs and ratepayer-subsidized intervenors to provide substantive feedback throughout the entire proceeding. We respectfully request that the Staff consider our proposal, and any other means to ensure that the process is fair and reasonable to all concerned.

Respectfully submitted,

By: _____/s/_____

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August 21, 2009

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PROOF OF SERVICE

I declare that:

I am employed in the County of Sacramento, State of California. I am over the age of eighteen years and am not a party to the within action. My business address is ELLISON, SCHNEIDER & HARRIS; 2600 Capitol Avenue, Suite 400; Sacramento, California 95816; telephone (916) 447-2166.

On August 21, 2009, I served the attached *Comments of the Large Scale-Solar Association in Response to Questions Regarding the Energy Division Straw Proposal on LTPP Planning Standards* by electronic mail or, if no e-mail address was provided, by United States mail at Sacramento, California, addressed to each person shown on the attached service list.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on August 21, 2009, at Sacramento, California.

/s/

Karen A. Mitchell

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R.08-02-007

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