

November 9, 2015

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 15-IEPR-01  
1516 Ninth Street  
Sacramento, CA 95814-5512

**Re: Comments of the Independent Energy Producers Association (IEP) on the 2015 Draft Integrated Energy Policy Report (Released October 2015)**

The Independent Energy Producers Association (IEP) submits these comments on the California Energy Commission's (Commission) 2015 Draft Integrated Energy Policy Report (Draft IEPR). IEP commends the Commission on the scope and focus of the draft IEPR. The draft IEPR focuses on key sectors and issue topics, and then presents for each chapter a series of recommendations for action as California progresses toward its energy and climate goals. Appropriately, the draft IEPR addresses the important role of planning as a means to incent the innovation and desired investment needed to achieve the new 2030 energy policy goals.

While the draft IEPR provides a solid overview sector-by-sector, the general public and policymakers would be well served if the Commission took the opportunity in the 2015 IEPR to address more fully the critical issue of transparency (or lack thereof) in energy planning and resource procurement; the risk that a lack of transparency creates barriers to timely and effective planning and resource procurement; and, how best to remove any such barriers. The draft IEPR speaks briefly to the issue of transparency—for example, the draft IEPR briefly addresses transparency in strategic transmission investment planning (p. 3) and renewable cost information and distribution planning process (p. 73). However, the draft IEPR fails to elaborate on the need for enhanced transparency, potential structural barriers to improving transparency, and how a lack of openness and transparency may retard achieving state energy goals.

IEP notes the following phenomena which affect participation in and transparency of the state's energy planning and procurement processes and, therefore, could appropriately be addressed more fully in the 2015 IEPR:

- **Planning Complexity.** The state is employing increasingly complex modeling to enhance decision-making. In theory, complex modeling should result in higher quality outcomes. On the other hand, complex modeling places a significantly larger time/resource burden on stakeholders as well as agency staff that risks delay in timely decision-making. Additionally, complex modeling risks undermining the perception, if not the reality, of openness, transparency and understanding with regards to resource planning and procurement; and, thus, public confidence in outcomes. IEP suggests it is time to address whether the state can achieve its 2030 goals in a timely and effective manner with less complexity? More specifically, is it time to reassess the marginal benefits of increasingly complex modeling, particularly in a world in which forecasting precision is difficult to achieve given the dynamic energy environment in which we live?
- **Duplicative, Overlapping Planning Processes.** Currently, in order to fully represent one's interests in resource planning and procurement, stakeholders need to fully engage at an array of energy agencies (e.g. CPUC, CAISO, CEC, CARB, Local Governing Boards) in a multitude of formal regulatory proceedings (e.g. LTPP, RA, RPS, IRP, IEPR) dealing with common, over-lapping issues. So too with regards to transmission planning and development. As a practical matter, while some stakeholders may have the resources to commit to these endeavors across-the-board, few stakeholders can match this commitment. As a result, decision-makers risk a skewed perception of interests, concerns, and solutions. IEP recommends that the Commission in the 2015 IEPR address practical means to minimize duplication of decision-making and minimize the overlap of processes to help ensure that all stakeholders have comparable access to the decision-making process.
- **Disconnect Between Planning and Procurement.** Resource planning serves a vital role of sending market signals to stakeholders, particularly the critical investment community, regarding the “what, where, when, and why” of needed energy infrastructure in the future. Most load-serving entities actively participate in the myriad planning processes; yet, repeatedly load-serving entities make clear that the assumptions and variables that govern their individual procurement practices, *i.e. the practices that effectively drive*

*much of the investment in California's energy infrastructure*, often are divorced from the assumptions and variables employed by state planners. IEP recommends that the Commission address in the 2015 IEPR the risk this disconnect has in terms of undermining needed innovation and investment, as well as the openness and transparency of final decision-making in the context of planning and resource selection.

Finally, IEP urges the Commission to address in the 2015 IEPR the treatment of so-called “confidential data” in planning and procurement. For example, currently the procurement practices of the investor-owned utilities in California are governed by a set of rules that distinguish stakeholders by whether they are classified as “market- participants” or non-market participants. For market-participants, access to confidential material is available only through a Reviewing Representative and conditioned upon the signing of a Non-Disclosure Agreement (NDA) which, in turn, imposes an obligation on the Reviewing Representative to not discuss the substance of the confidential materials with the market participant it represents. While IEP recognizes that truly confidential and proprietary information warrants special treatment, over the years the amount of redacted materials appears to have grown significantly such that, in many instances, it is difficult for stakeholders to appreciate the issue at hand in order to comment effectively. Given current practices, which too often result in the perception of “black-box” decision-making, it is timely for the Commission to assess the volume of redacted materials and the extent to which this is consistent with state goals related to public access, openness and transparency in decision-making.

The Commission's leadership addressing the issue of public access, openness, and overall transparency is timely. In the end, to the extent that the status quo planning and procurement process undermines the public's confidence in and understanding of the outcomes, then the process risks undermining the innovation and infrastructure investment needed to achieve 2030 energy and GHG reduction goals. We look forward to working with the Commission on these critical issues.

Respectfully Submitted,

Handwritten signature of Steven Kelly in black ink.

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