

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

Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development, of California Renewables
Portfolio Standard Program.

Rulemaking 18-07-003
(Filed July 12, 2018)

**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION ON THE 2019 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLANS**

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Dated: July 19, 2019

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Consistent with the Administrative Law Judge’s Ruling Modifying Schedule in Rulemaking 18-07-003 (dated May 7, 2019), the Independent Energy Producers Association (IEP) provides these comments on the 2019 Renewables Portfolio Standard (RPS) Procurement Plans submitted by jurisdictional retail sellers on June 21, 2019. Under the modified schedule, comments on the 2019 RPS Procurement Plans are due on July 19, 2019; therefore, IEP’s comments are timely.

I. General Comments on 2019 RPS Procurement Plans

IEP applauds the Commission for establishing the General Requirements for the 2019 RPS Procurement Plans, as outlined by the Ruling dated April 19, 2019.¹ Upon an initial review of the many plans submitted by retail sellers, IEP found the General Requirements to be extremely helpful in standardizing the plans and, thereby, enabling a more comprehensive and collective understanding of what procurement is expected over the planning horizon. IEP recorded 41 separate 2019 RPS Procurement Plans submitted by retail sellers. Reviewing this

¹ *Assigned Commissioner and Assigned Administrative Law Judge’s Ruling Identifying Issues and Schedule of Review for 2019 Renewables Portfolio Standard Procurement Plans*, April 19, 2019.

extensive material would be impossible absent the Commission's direction, outline, and requirement for a relatively standardized format for the plans.

IEP believes, however, it would be immensely helpful if the Energy Division could compile and summarize the 2019 Plans in aggregate form, although perhaps disaggregated by retail-seller type (e.g., Utility, Community Choice Aggregator, or Electric Service Provider) to provide a clear and more transparent overview of what retail sellers plan to procure (and develop), individually and collectively, over the planning horizon. IEP found it difficult to ascertain with a high degree of certainty what new development was planned (i.e., when and by whom) based on the plans submitted by individual retail sellers. It occurred to IEP that in some instances individual retail sellers may submit in their individual plans the total procurement that is planned to occur jointly (e.g., through a third-party procuring on behalf of multiple retail sellers). This phenomenon, if happening, risks double-counting planned new development and could undermine achievement of RPS and Integrated Resource Planning (IRP) goals in a timely manner.

IEP is not confident that it received, reviewed, and compiled all the retail sellers' 2019 RPS Procurement Plans; however, we compiled the plans of 41 retail sellers including five (5) from utilities; sixteen (16) from Electric Service Providers (ESPs); and twenty (20) from Community Choice Aggregators (CCAs). (See **Attachment A.**) Overall, IEP views these planned procurements as a good beginning. IEP calculates that jurisdictional retail sellers plan to procure and develop approximately 2,500 MWs of new renewables by 2023.

On the other hand, the Commission must not lose sight of the value (and perhaps necessity) of using the RPS procurement planning process to help realize the 2030 GHG reduction goals of focus in the Commission's IRP proceeding (R.16-02-007 and its successors).

The IRP planning process indicates that an estimated 11,000 MWs of new renewables must be online to meet the 2030 GHG goals,² and many of these resources will need to be procured well before 2030 to ensure their timely delivery of energy to meet the 2030 GHG goals. For example, preliminary IRP modelling as recently as 2017 suggested the need for 10,000 MWs of new, additional renewable resources by 2022 to help achieve California’s environmental and carbon reduction goals.³

II. Specific Comments on 2019 RPS Procurement Plans Submitted by Retail Sellers.

IEP offers the following comments and suggestions for the Commission’s consideration based upon a preliminary review of 41 of the 2019 RPS Plans submitted by retail sellers.

1) New Development of RPS-eligible Resources Typically Assumes 100% Success Rate.

Developing new resources, including new renewables, can be a tenuous proposition due to siting requirements, local opposition, etc. Typically, retail sellers’ 2019 RPS Procurement Plans seem to assume a 100% success rate for new development. This appears unrealistic based on the history of developing resources to serve California load. For example, Southern California Edison Company (SCE), perhaps the most experienced procurer of renewables in California,

² Recent IRP modeling indicates that between 9,861 MW and 18,323 MWs of new, incremental renewable capacity will be needed to meet the state’s 2030 GHG goals. See *Energy Division Staff Presentation on IRP and TPP Portfolios*, January 7, 2019 (R.16-02-007). In addition, IRP modeling indicates that a significant number of new renewables (approximately 11,000 MWs) needs to be procured by to help meet 2030 GHG goals. See *Proposed Reference System Plan (Executive Summary)*, CPUC Energy Division Presentation, September 18, 2018, p. 9.

³ Presentation: *Proposed Reference System Plan (Executive Summary)*, CPUC Energy Division, September 18, 2017, p. 9.

assumes a 70% success rate for renewable resources other than those procured via a Feed-in Tariff.⁴

The Commission should evaluate the Project Development success rate implied in retail sellers' RPS Procurement Plans in order to have a fuller understanding of the scope and scale of new development to meet RPS obligations and IRP goals. If the Commission assumes a success rate more in the range of SCE's historical experience (e.g., a 70% success rate other than Feed-in Tariff resources), then the collective development and energization of 2,500 MWs of new RPS-eligible resources by 2023, as indicated in retail seller's 2019 RPS Procurement Plans, may result in only 1,750 MWs (nameplate capacity) online by 2023 rather than the 2,500 MWs discussed in the plans. Aligning the planned online capacity forecasts with historical project success rates will affect the pace of new development expected to be online by 2023. Furthermore, integrating realistic project success rates with regards to forecasts of new development will improve the forecasts of energy output (MWhs) from online RPS-eligible resources which count against retail sellers' future RPS obligations.

2) Planned Procurement of New RPS-eligible Renewables Is Concentrated Among a Minority of Retail Sellers.

Only one-third (32%) of retail sellers plan to develop new RPS-eligible resources, based on a review of individual retail sellers' *Project Development Status Update* [Section 5.2]. When disaggregated by type of retail seller, the data are more illustrative of the potential gaps in the development of new renewables needed to meet RPS and IRP goals:

- a) ***Collectively, the utilities indicate 18 MWs of new development:*** Only two utilities plan new project development, i.e., *Golden State Water Company* (8 MWs) and *Liberty*

⁴ See *Southern California Edison Company's 2019 Draft Renewables Portfolio Standard Procurement Plan, Volume 1*, June 21, 2019, p. 11.

Utilities (10 MWs.). The three largest investor-owned utilities have no plans to procure new resources.

- b) ***Collectively, the CCAs indicate approximately 2,044 MWs of new development.*** The bulk of the proposed new development is concentrated in eight CCAs: *CleanPower SF* (147 MWs); *East Bay Community Energy* (1,000 GWhs or approximately 212 MWs); *Marin Clean Energy* (347 MWs); *Monterey Bay Community Power Authority* (215 MWs); *Peninsula Clean Power Authority* (300 MWs); *San Jose Clean Energy* (450 MWs); *Sonoma Clean Power Authority* (136 MWs); and *Silicon Valley Clean Energy Authority* (262 MWs). The remaining 12 CCAs (60 percent) indicate no development.
- c) ***Collectively, the ESPs indicate approximately 467 MWs of new development.*** Only 3 ESPs, however, indicate plans to procure new renewables: *Calpine Power America* (approximately 20 MWs); *Direct Energy Business, LLC* (250 MWs); and, *Shell Energy North America* (200 MWs). The remaining 13 ESPs (80 percent) indicate no development.

The Commission must assess the extent to which the planned procurement provides reasonable assurance that the RPS and IRP goals will be met in a timely manner irrespective of the initial perception that plans to develop approximately 2,500 MWs of new renewables by 2023 is a good initial step. If the Commission forecasts a looming shortage in RPS energy deliveries, due, for example, to a slower pace of new development than contemplated by many LSEs, then the Commission should take action to increase procurement levels to ensure compliance with the RPS and IRP goals in a timely manner.

3) 2019 RPS Procurement Plans are Opaque with Regards to Meeting the 65% Long-Term Contracting Requirement Prescribed in Statute.

When commenting on retail seller's 2018 RPS Procurement Plans, IEP noted, "A commitment to adhere to state law and regulation is not a Plan on how to adhere to state law and regulation."⁵ We reiterate that comment here. Specifically, the 2019 RPS Procurement Plans do not constitute anything equivalent to a *Plan* as to how an individual retail seller proposes to comply with pending RPS long-term contracting provision prescribed in the Public Utilities (PU) Code.⁶ PU Code Section 399.13(b) states the following:

"Beginning January 31, 2021, at least 65 percent of the procurement a retail seller counts toward the renewables portfolio standard requirement of each compliance period shall be from *its* contracts of 10 years or more in duration or in *its* ownership or ownership agreements for eligible renewable resources." [emphasis added]

The Commission should direct retail sellers to be more explicit as to when and how they proposed to meet their RPS long-term contracting compliance obligations. The lack of transparency on how and when retail sellers propose to ensure timely compliance with the 65% long-term contracting obligation is a glaring hole in the plans.

4) Need to Align RPS Procurement (based on retail sales) with IRP Planning (based on installed capacity).

For purposes of RPS procurement planning, retail sellers focus on meeting statutorily prescribed minimum levels of energy sales (MWh) from RPS-eligible resources. Notably, this appears to result in a reliance on wind, solar, and solar hybrids (solar/storage). On the other

⁵ See *Comments of the Independent Energy Producers Association on 2018 Renewables Portfolio Standard (RPS) Procurement Plans*, Rulemaking 18-07-003, September 21, 2018, pp. 3-5.

⁶ The American Heritage Dictionary defines a "Plan" as follows: (1) Any detailed scheme, program, or method worked out beforehand for the accomplishment of an object; *a plan of attack*. (2) a proposed or tentative project or goal: *Do you have any plans for the evening?* (3) A systematic arrangement of details; an outline or sketch: *the plan of a story*.

hand, the IRP planning focuses on the need for new installed capacity (MWs) to meet statewide GHG reduction goals on an integrated basis. This may create a disconnect in assessing the extent to which sufficient new renewables are being procured on a timely basis. For example, as noted above, while the 2019 RPS Procurement Plans suggest procurement of 2,500 MWs, these numbers appear to represent nameplate capacity. It may well be the case that the effective capacity of the planned procurement may total approximately 750 MWs (baseload) assuming an Effective Load-Carrying Capability (ELCC) approximate value of 30% for wind and standalone solar.

The Commission should explicitly assess the extent to which the 2019 RPS Procurement Plans, relying on newly adopted ELCC calculations for wind/solar resources, align RPS procurement and the development of new RPS-eligible resources with IRP policy objectives. Integrating the Commission's statewide IRP policy objectives into RPS Procurement Plans will help ensure that needed, incremental new renewables are procured and developed in a timely manner (based on reasonable assumptions of project development success/failure).

IEP looks forward to working with the Commission on reviewing the 2019 RPS Procurement Plans submitted by retail sellers, and further assessing the extent to which the plans provide reasonable assurance of achieving RPS and IRP policy objectives in a timely manner.

Respectfully submitted July 19, 2019 at San Francisco, California.

A handwritten signature in black ink that reads "Steven Kelly". The signature is written in a cursive style with a large, sweeping "K" and a long, horizontal stroke at the end.

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ATTACHMENT A:
SUMMARY OF RETAIL SELLERS' 2019 RPS PROCUREMENT PLANS

Load-Serving Entity (LSE) - Type	Customer Accounts	Retail Sales (GWh)	Indicated Renewable Development (MWs) [Online Post 2018/For CA Delivery]	Resource Type	COD (Yr)
Utilities:					
Golden State Water Company	?	?		8 Solar	
Liberty Utilities (CalPeco)				10 Solar	
Pacific Gas & Electric Company				0	
San Diego Gas & Electric Company				0	
Southern California Edison Company				0	
Utility Subtotal:				18	
Customer Choice Aggregation (CCAs):					
Apple Valley Choice Energy	25,000	250		0	
Clean Power Alliance of Southern Calif.	1,000,000			0	
CleanPowerSF	377,000	3,000		100 solar	2019
				47 wind	2020
Desert Community Energy	Service in 2020	Service in 2020		0	
East Bay Community Energy				56.2 wind	2020
				55.83 solar	2021
				100 solar + storage	2022
King City Community Power				0	
Lancaster Choice Energy	51,000	600		0	
Marin Clean Energy	475,000	5,300		290.4 wind	2019
Monterey Bay Community Power Authority	270,000	3,100		546.6 solar PV (ground)	2019-2020
				15 wind	2020-2021
				15 solar/hybrid	
				20 solar/hybrid	
Peninsula Clean Energy Authority	300,000	3,600		200 solar PV (ground)	2019
				100 solar PV (ground)	2020
Rivera Innovative Municipal Energy	17,000	220		0	
Pioneer Community Energy	90,000	1,100		0	
City of Pomona	45,000	620		0	
Redwood Coast Energy Authority				0	
San Jacinto Power	13,700	170		0	
San Jose Clean Energy		4,400		0	
Sonoma Clean Power Authority				80 wind	
				50 solar	
				6 Solar (feed-in tariff)	
Silicon Valley Clean Energy Authority	266,000	4,000		110 wind	2020
				82.5 solar/hybrid	2021
				70 solar/hybrid	2021
Valley Clean Energy Alliance	54,037	686		100 solar (no contract)	2020
Western Community Energy	Service in 2020	Service in 2020		0	
CCA Subtotal:				2044.53	
Energy Service Providers (ESPs):					
3 Phases Renewables Inc.				0	
Agera Energy LLC				0	
American Powernet Management, LP				0	
Calpine Energy Solutions, LLC				19.88 solar PV	2020
Calpine PowerAmerica- CA, LLC				0	
Commercial Energy				0	
Constellation NewEnergy, Inc.				0	
Direct Energy Business, LLC				250 solar PV	2022
EDF Industrial Power Services (CA), LLC				0	
Enercal USA, LLC (DBA YEP Energy)				0	
Gexa Energy CA, LLC				0	
Just Energy Solutions, INC				0	
Liberty Power Holdings, LLC				0	
Pilot Power Group, INC				0	
Regents of UC				0	
Shell Energy North America (US), LP				100 wind	2020
				100 solar	2020
ESP Subtotal:				469.88	
TOTAL RENEWABLE PROJECT DEVELOPMENT:				2532.41	