

DOCKETED

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**BEFORE THE ENERGY RESOURCES CONSERVATION AND DEVELOPMENT
COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of
Application for Certification of the
Puente Power Plant

Docket Number 15-AFC-01

Comments of Robert Sarvey on CAISO Moorpark Subarea Local Capacity Alternative Study

Mandalay Unit 3 is not scheduled to retire.

The CAISO presentation presented for the June 30, 2017 stakeholder call states on page 4 that, “Based on the ISO’s latest LCR study, the post-2020 local capacity deficiency in the Moorpark area, absent Puente and Mandalay 3, is 264 MW.” CAISO assumption that the Mandalay 3 unit will retire is contrary to the evidence in this proceeding.

NRG’s application for certification for the Puente Power Project states on page 4.1-20, “MGS consists of two conventional steam boiler units (MGS Units 1 and 2) with a combined generating capacity of 430 MW net; and one gas combustion turbine unit (MGS Unit 3), rated at 130 MW net. As part of the proposed project, the existing MGS Units 1 and 2 would be decommissioned following commercial operation of the new equipment. **MGS Unit 3 would remain in operation.**”¹ NRG in a recent data response in this proceeding stated that, “MGS Unit 3 is peaking generation which continues to be integral to local grid reliability. The number of years that MGS Unit 3 will operate into the future is uncertain; however, NRG intends to continue operation of this unit as future market conditions allow. There is no

¹ TN-204219-8 4.1 Air Quality Page 21 of 86
docketpublic.energy.ca.gov/PublicDocuments/15-AFC-01/TN204219-8_20150416T104351_41_Air_Quality.pdf

*looming regulation that affects MGS Unit 3's permitted operations. With continued maintenance, MGS Unit 3 will be capable of operating well into the future.”*²

The CEC Staff has also assumed continued operation of the Mandalay 3 unit well into the future. CEC biology staff has assumed that, “The existing 130 MW simple cycle Mandalay Unit 3 would remain online.”³ CEC air quality staff included the Mandalay 3 Unit operation in all of its cumulative modeling analyses.⁴ Both applicant and staff have assumed continued operation of the Mandalay 3 unit.

The CPUC has also recently considered the operational future of the Mandalay 3 unit in Proceeding A, 14-11-016. The proposed decision by the ALJ in that proceeding states:

9. Generation Alternative to Ellwood – Mandalay Unit 3

While we have found that no reliability need exists for the Ellwood contract, as required by D.16-05-050, and we have further found that the operating characteristics of Ellwood do not present an optimal solution to the need presented by SCE, our review of the need for Ellwood evaluates the bigger generation picture presented by the Santa Barbara/Goleta area. Parties presented evidence on whether other resources in the area, such as the Mandalay Unit 3, would be a better option. The evidence indicates that that the 130 MW Mandalay Unit 3 could fill the 29.6 MW need identified by the CAISO.⁶³ **In fact, the CAISO testified that the 130 MW Mandalay Unit 3 - if it remains available – would satisfy the 29.6 MW need identified in the Moorpark sub-area.**⁵

NRG, the CEC, and the CPUC have all determined that the Mandalay 3 unit will operate well into the future. Only CAISO still maintains that the Mandalay 3 unit will retire in 2021.

² [Applicant's Responses to Robert Sarvey's Data Request, Set 2](#) Page 2-1 DOCKETED Docket Number: 15-AFC-01 Project Title: Puente Power Project TN #: 214303 Document Title: Applicant's Responses to Robert Sarvey's Data Request, Set 2 Description: N/A Filer ... Date: 10/31/2016 Size: 1MB

³ TN 214712 CEC [Final Staff Assessment, Part 1 of 2](#) Page 527 of 1237

⁴ TN 214712 CEC [Final Staff Assessment, Part 1 of 2](#) Page 110 of 1237

⁵ CPUC Application 14-11-016 PROPOSED DECISION OF ALJ DEANGELIS Page 21, 22
<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M183/K389/183389354.PDF>

Accordingly CAISO should include the 130 MW Mandalay Unit 3 as an available resource and should lower its LCR deficiency in the Moorpark area by 130 MW to 74 MW.

Rooftop Solar should be included as area resources.

Rooftop Solar is not considered a resource in the Moorpark subarea. A major mistake that the states agencies are making in their LCR analyses for the entire state is ignoring rooftop solar. This has led to over procurement of resources and absurdly large planning reserve margins. This has affected the ratepayers as they are paying for costly unused resources which cost billions of dollars. Organizations like UC Santa Barbara and Santa Barbara County are installing large solar arrays that are not being considered in the CAISO analysis. The main UCSB campus is home to five solar photovoltaic (PV) arrays that currently generate 220 kilowatts of clean power from the sun.⁶ [Santa Barbara County](#) recently installed of a \$5.2 million array of solar panels on the hillside behind the [County Jail](#).⁷ There are other large solar arrays that have been installed in the Moorpark subarea that provide additional generation in the Moorpark subarea and are being ignored in the CAISO analysis. SCE can easily supply information on the amount of rooftop and commercial solar in the Moorpark subarea.

Demand is falling in the Moorpark subarea.

CAISO and SCE continue to overestimate future demand in the Moorpark area and throughout the state. CAISO predicts a 50 MW increase in demand for the Moorpark subarea from 2018 to 2022. But a recent analysis of demand in A. 14-11-016 shows that demand is falling in the Goleta – Santa Barbara sub area which is part of the Moorpark subarea. For example SCE projected a 272 MW peak load for the Goleta Santa Barbara subarea for 2016 but peak load only reached 247 MW in 2016 a 26 MW difference.⁸ The evidence shows that Goleta-Santa Barbara area peak load has been declining since 2014. In 2014 Goleta- Santa Barbara load peaked at 266 MW and has declined to 254 MW in 2015 and 247 MW in 2016.⁹ Peak load is declining throughout the state but state agencies continue to act as if demand is actually increasing. This is leading to absurd planning reserve margins and additional unnecessary ratepayer impacts CAISO should compare its past peak load forecasts in the

⁶ http://energy.ucsb.edu/renewable_energy.html

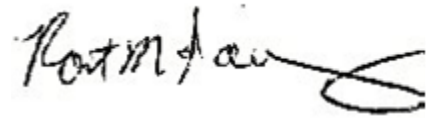
⁷ https://www.noozhawk.com/article/072312_sb_county_installs_solar_panel_array

⁸ A. 14-11-016 Sierra Club Exhibit 2 Question 3 10/10/16 SCE Response Peak Load as of October 13, 2016

⁹ A. 14-11-016 Sierra Club Exhibit 2 Question 3 SCE Response

Moorpark area to actual peak demand that has occurred, establish a ratio, and adjust their demand forecast down accordingly.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Robert Sarvey". The signature is written in a cursive style with a long, sweeping tail that loops back to the right.

Robert Sarvey