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Sierra Club, Defenders of Wildlife, The Nature Conservancy - RETI 2.0

Additional submitted attachment is included below.

To: California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.state.ca.us

From: Sarah Friedman, Sierra Club
Kim Delfino, Defenders of Wildlife
Erica Brand, The Nature Conservancy

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Subject: Comments of Sierra Club, Defenders of Wildlife and The Nature Conservancy to the Notice of Joint Agency Workshop to Introduce the Renewable Energy Transmission Initiative 2.0

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I. Introduction and Summary

The Nature Conservancy, Defenders of Wildlife, and Sierra Club respectfully submit these comments to the California Energy Commission (CEC) regarding the Joint Agency Workshop to Introduce the Renewable Energy Transmission Initiative (RETI) 2.0. We thank the CEC for planning this workshop. We strongly support the ongoing work of the CEC, the California Governor's Office, the California Public Utilities Commission (CPUC), the California Independent System Operation (CAISO) and California's county governments regarding aligning renewable energy development and transmission with natural resource protection. RETI 2.0 presents an opportunity to incorporate ongoing efforts like the Solar and the San Joaquin Valley: Identification of Least-Conflict Lands planning process (San Joaquin Valley Solar Convening) towards a sustainable, low carbon energy future through the Databasin platform.

Achieving a low carbon energy future is critical for California – for our economy, our communities and the environment. Key to this future is not only a rapid decarbonization of the energy and transportation sectors, but also protecting and managing the natural and working lands which will help mitigate climate change impacts by providing vital carbon

sequestration benefits[1] as well as providing crucial habitat for California's diverse ecosystems.

The comments below are informed by a dedication to achieving decarbonization at the pace and scale necessary to reduce the worst impacts of climate change. We recognize this effort will move quickly, and in order to jumpstart this process and make it most effective, we offer the following guiding principles, informed by our participation in the first RETI process, as well as subsequent land use, conservation and energy planning processes.

II. Recommendations

A. Identifying the need for transmission: RETI 2.0 must define its objectives in the context of meeting the state's goals of procuring 50% of its energy with renewable resources by 2030 and doubling the state's energy efficiency.

The state of California must have a roadmap for achieving the goal of procuring 50% of its electric energy with renewable resources by 2030. That roadmap must take into account how much renewable energy is already online, how much is under construction, and how much is permitted. It must assess how much distributed generation (DG) currently exists, as well as the current and likely future rate of adoption and thus projected deployment through 2030; there may be a need for further policy reform to increase the share of clean energy that DG contributes overall as compared to large-scale.

The roadmap must also take into account the state's new goal of doubling energy efficiency, along with other existing and planned demand side resources, including but not limited to demand response, storage and other energy saving mechanisms. These analyses, in addition to projections of population growth, fossil unit retirements, and other technological trends (such as LED light adoption), will help define exactly how much incremental large-scale renewable energy is needed.

However, an overall megawatt (MW) target alone is not sufficient. From the combination of factors listed above, realistic scenarios must be devised to ensure that the types and locations of renewable energy procured are complementary and fully address the needs for peaking power, grid stability, reliability and other services throughout the state. Renewable energy generators' input in scenario development will also be important to ensure that the scenarios account for commercial viability in the needed locations.

The availability of existing transmission lines, poles and corridors is also an essential component of developing a roadmap. RETI 2.0 offers a unique opportunity to rectify the

[1] http://www.arb.ca.gov/html/fact_sheets/nwlfactsheet.pdf

issue of duplicative transmission for different entities by unifying the transmission system, at least within California.

This roadmap may take some time to create and refine, but we appreciate that there has been progress on a number of analytical efforts that could guide thinking in developing the roadmap (e.g., RPS Calculator, DRECP energy calculator, CEC Scenario Builder). For example, the DRECP energy calculator provided useful groundwork for creating a template for such a roadmap, but underestimated energy efficiency and other key inputs. The calculator required for RETI 2.0 is more complicated given the broader geographic scope and need to integrate a high level of renewable energy within a decade and a half. However, the importance of grounding RETI 2.0 in such an analysis cannot be overstated. Only with such a macro-level analysis of how much, and what kinds, and which locations for large-scale renewables are needed can we ensure that the RETI 2.0 process is prudent, affordable for ratepayers, and results in transmission investments that will facilitate development with the least impact to the environment.

While developing and finalizing this roadmap in the short term, we can immediately proceed on two least-regrets transmission planning efforts—the San Joaquin Valley Solar Convening and the development of geothermal energy in Imperial County, which are discussed later in this letter. Once completed, the roadmap will then inform the next transmission increments necessary to achieve the 2030 goal for procurement of 50% renewable energy.

In order to be most effective, the RETI 2.0 process must be aligned with each of California's energy and transmission planning processes. These include, the CAISO's annual Transmission Planning Proceeding, the CPUC's RPS Calculator, the CPUC's Long-term Procurement Planning Proceeding, the individual IOUs renewable energy procurement, and the Integrated Energy Resource Proceeding introduced in Senate Bill 350. Individually, none of these processes will effect the goals of developing renewable energy at the speed necessary to decarbonize the grid. Most significantly, to date, California utilities procurement has not aligned with areas widely supported for renewable development (the Westlands Solar Park is a prime example of this). The timing of RETI 2.0, together with the imminent finalization of the DRECP's Land Use Plan Amendment and the San Joaquin Convening, presents a rare opportunity to realize the states work to date by valuing the areas identified in these processes in the utilities procurement.

B. RETI 2.0 should use the best available information and science

RETI 2.0 presents an opportunity to use the best and most current information to identify areas appropriate for renewable energy development. Although the RETI process was never finalized, the RETI Competitive Renewable Energy Zones (CREZs) live on in the portfolios used by the CAISO in their annual transmission planning process (TPP).

However, in the years since the first RETI process ended, tremendous public and private investments have been made in landscape-scale planning for energy at the local, state, and federal levels (e.g., the Bureau of Land Management's (BLM's) Western Solar Energy Program, Desert Renewable Energy Conservation Plan, San Joaquin Valley Solar Convening, and County renewable energy and conservation planning efforts). County-led planning processes have resulted in more clarity on where renewable energy generation aligns with local government and community values. Likewise, federal and state wildlife agencies have made great progress in vegetation mapping, which is key as natural and working landscapes are increasingly recognized for their value in sequestering carbon as well as providing vital biodiversity values. Many of our natural lands also play a key role in protecting our water supplies. For example, healthy rangelands overlay many of the state's important groundwater basins and provide locations for infiltration, contributing to clean water supplies.

The CEC's climate change console shows how climate change could alter ecosystems and the natural range of birds, fish, and mammals, thus, providing key information on climate change refugia. Finally, the CEC is also making efforts to map conservation plans for the state and that will provide additional valuable data.

We strongly support using all of these tools and data as foundational building blocks for RETI 2.0, to ensure transmission and generation investments occur in areas that align with conservation values, rather than being primarily driven by commercial interest. This approach ultimately will provide for greater certainty in renewable energy generation and transmission development, as well as protecting important natural and working lands for carbon sequestration, clean water, and, habitat and biodiversity values. The Databasin platform developed by the Conservation Biology Institute for the CEC presents an opportunity to provide the best available data, generated not only through renewable energy planning processes, but also by state and federal wildlife agencies, other agencies, and conservation institutions, to transparently guide transmission investments to locations which align with multiple stakeholder priorities.

While great strides have been made in the accumulation of natural resource data, it is also important to acknowledge that there are areas still lacking some basic data (e.g., vegetation mapping). Thus, it is important to also note where data gaps exist to guide future investment in natural resource research and data collection and to clarify that some areas have better information to support planning decisions than other areas.

C. **RETI 2.0 must be driven by least environmental conflict and not solely by commercial interest.**

Identifying the areas of least environmental conflict is a necessary foundational component in the RETI 2.0 process. High conservation values are correlated with permitting complexity, delays and a higher risk of project failure, ultimately slowing our transition to a carbon-free future. Additionally, identifying and protecting natural and working lands with high conservation value is one of California's most important climate change prevention foundations, as these lands both sequester carbon and provide habitat for species at risk from climate-related ecosystem changes.

The original RETI's rating and scoring processes did not properly capture areas that were least-conflict for several reasons. First, the scoring process did not properly capture environmental risk. For example, even protective federal designations that were developed and finalized through public review processes, such as BLM Areas of Critical Environmental Concern, or federally designated Critical Habitat, were not included in the Category 1 list. Second, the rating methodology used by the RETI process was flawed; the environmental weighting was arbitrary, and it divided environmental scores by the annual energy produced in a CREZ, erroneously downgrading the environmental impacts if the CREZ was a high energy producer.

A better approach is to first identify RETI 2.0's objectives through an accurate calculation of need followed by an analysis of scenarios that will support high penetration of renewables as noted above, to avoid overbuilding transmission and large-scale generation. Once the incremental need for, and the types of, and (in some cases) general locations for certain kinds of renewables are identified, a more sophisticated environmental analysis can be completed. This analysis needs to use the data and information now available, and can inform specific least-impact scenarios, as well as the opportunities to utilize existing transmission wires, towers and corridors to facilitate development in these locations.

D. **RETI 2.0 must seek meaningful participation from a wide range of stakeholders through a public, transparent decision making process.**

In order to be successful, RETI 2.0 must correctly identify locations for large-scale generation and transmission that align with community, conservation and energy values. Therefore, this process must get input from a wide range of stakeholders at the outset. These stakeholders include renewable energy developers, utilities, tribal and county governments, environmental organizations, environmental justice advocates, community groups, local land trusts and land protection advocates, representatives of the military services, wildlife specialists and agencies.

The RETI 2.0 process will benefit from greater participation and representation of all the stakeholder groups noted above. Government stakeholders should be engaged from the

U.S. Fish and Wildlife Service, California Department of Fish and Wildlife, National Park Service, Bureau of Land Management, the military, Tribes and local county and municipal governments. At a minimum, increased participation will bring information on both potential conflicts and potential areas well-suited for development early in the process, before investments are made in areas which may face permitting complexity due to natural resource, land use or community conflicts. Ultimately this broad engagement will enable the state to move towards greater carbon reductions faster. Optimally, increased participation will lead to *consensus* locations for renewable energy development, as demonstrated in the San Joaquin Valley Solar Convening, where agricultural, environmental groups and solar developers are working to find locations all agree are well suited for solar conversion.

In addition, the responsible agencies, chiefly the CEC, should clearly articulate a public engagement plan and timeline for various phases of RETI 2.0. CEC should explain how decisions will be made on choosing a preferred scenario(s), locations for renewable energy development and transmission upgrades and/or new lines, and by whom. All meetings should be open to the public and transcripts or recordings made available via the CEC website.

E. **The first phase of RETI 2.0 should include development of transmission to serve consensus lands in the San Joaquin Valley.**

Developing transmission that may be needed to serve the consensus lands of the San Joaquin Valley should be the first priority of the RETI 2.0 process.[2] In the time since the first RETI process, it has become clear that the paradigm of transmission investments following power purchase agreements does not necessarily lead to development of areas in alignment with conservation, community and local government values. The poster child for this is the Westlands Water District, which includes salt-impacted land in the Western San Joaquin Valley. Converting these lands for solar energy development would benefit land, water and air quality, as well as contributing to our climate goals. In addition, other consensus lands identified through the San Joaquin Solar Convening as supported by conservation groups, local governments and the agricultural community for conversion to solar should be prioritized early in RETI 2.0.

F. Imperial Valley Geothermal.

Additional priority areas should include the Imperial Valley, particularly around the Salton Sea, should be an early priority for study in RETI 2.0. The additional values that base load

[2] Determining what transmission may be necessary should also include the results of the CAISO's 50% RPS special study, which will look at the impacts of an "energy only paradigm," in which not all renewable energy projects are required to be fully deliverable, potentially unlocking the renewable energy potential of low-impact locations without costly transmission buildout.

renewable energy has, such as the grid stabilization services it provides, should be recognized in a new procurement scoring process. Electricity from geothermal facilities provides this kind of service. While less economic now, we will clearly need a suite of resources that enables integration and geothermal will likely play a key role. Further, this prioritization is consistent with the investment of planning funds to Imperial County by the CEC and may provide important co-benefits as the state works to address the impacts from a shrinking Salton Sea.

We recommend that these two geographic areas be studied first, and that further areas follow the adoption of a preferred scenario through analysis as recommended above.

III. Conclusion

We appreciate the opportunity to participate in this process. RETI 2.0 presents an opportunity to not only rapidly decarbonize the energy sector, but also protect the natural and working lands that will help mitigate climate change impacts by providing vital carbon sequestration benefits and crucial habitat for California's diverse ecosystems.

Respectfully submitted,

Erica Brand
California Energy Program Director
The Nature Conservancy
ebrand@tnc.org

Kim Delfino
California Program Director
Defenders of Wildlife
kdelfino@defenders.org

Sarah Friedman
Senior Campaign Representative
Sierra Club
sarah.friedman@sierraclub.org