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RETI 2.0 Joint Agencies Workshop (May 2, 2016)

Additional submitted attachment is included below.

**Sierra Club
Defenders of Wildlife
California Native Plant Society
Center for Biological Diversity**

To: Dockets Unit
California Energy Commission
Docket No. 15-RETI-02
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
docket@energy.ca.gov

From: Kim Delfino, Defenders of Wildlife
Sarah K. Friedman, Sierra Club
Ileene Anderson, Center for Biological Diversity
Greg Suba, California Native Plant Society

Date: May 16, 2016

Subject: Comments to the Renewable Energy Transmission Initiative 2.0 Joint Agency Workshop (May 2, 2016)

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I. Introduction and Summary

Sierra Club, Defenders of Wildlife, California Native Plant Society and the Center for Biological Diversity (“Conservation Organizations”) respectfully submit these comments to specific topics covered in the Renewable Energy Transmission Initiative (RETI) 2.0 Joint Agencies Workshop, held on May 2, 2016 (“Joint Agencies Workshop”).

Achieving a low carbon energy future is critical for California – for our economy, our communities and the environment. In order to achieve this future, we must use all of California’s climate change strategies— rapidly decarbonizing the energy and transportation sectors, substantially increasing energy efficiency in residential, commercial and industrial sectors, and protecting and managing the natural and working lands that provide for carbon sequestration as well as plant and species habitat.¹ Because of our finite land resources and the long-lead time and high costs required to build transmission projects, it is critical that our energy decisions are made using the best available information and incorporate each of the states climate change strategies.

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

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We appreciate the planning goals presentation made at the Joint Agencies Workshop. Understanding the planning goals for RETI 2.0 is foundational to the work of the RETI 2.0 Environmental and Land Use Group. At a minimum, energy projections used for RETI 2.0 must incorporate each of California's statutory policies. Our analysis shows the range of energy projections presented at the Joint Agencies workshop are too high, even at the low end, in part because they ignore the energy efficiency targets in Clean Energy and Pollution Reduction Act of 2015 (SB 350). Energy projections must use the most accurate information, which in this instance means using the information developed through California's own regulatory tool—the RPS Calculator -rather than a range of projections based on third party studies that are not directly comparable and which were prepared prior to SB 350. As well, presenting energy planning goals in capacity (MWH) only, while RPS compliance is measured in energy (MW) could cause confusion, impeding the value of the RETI 2.0 process.

Particularly given the relatively limited additive 2030 large-scale renewable energy need once the state's energy efficiency policies are incorporated and existing projects accounted for, we reinforce comments made by the conservation groups in response to the April 18, 2016 Plenary Group workshop that the RETI 2.0 process should focus first on areas that have been previously studied and identified as low-impact in landscape-level planning processes –the consensus lands from the San Joaquin Solar Convening, development focus areas in the Desert Renewable Energy Conservation Plan (DRECP) and zones in Imperial County— before spending finite staff resources studying other areas in California or Westwide.

II. Comments to Joint Agencies Workshop

A. Energy projections are too high because they ignore California's statutory energy efficiency requirements

RETI 2.0's energy projections are not accurate because they ignore California's own climate change law. SB 350 not only increased California's renewable portfolio standard (RPS) to at least 50 percent of retail sales but also required California to double statewide energy efficiency savings in electricity and natural gas end uses by 2030. The California Public Utilities Commission (CPUC)'s RPS Calculator develops renewable portfolios for use in each of California's long term planning efforts including, the CPUC's Long Term Procurement Plan proceeding (LTPP), the CPUC's Integrated Resource Plan proceeding and the California Independent System Operator (CAISO)'s Transmission Planning Process (TPP). The most recent version of the RPS Calculator, Version 6.2, looked at mid

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demand, low demand, and high demand baselines, each with an Additional Achievable Energy Efficiency (AAEE), a low AAEE, mid AAEE and, for the first time, a ‘SB 350 friendly’² sensitivity. The portfolios ultimately chosen for study, based on comments from stakeholders, with the exception of one, included the ‘SB 350 friendly’ AAEE sensitivity. Notably, when SB 350 energy efficiency targets are incorporated and current RPS projects accounted for there is relatively little need for new generation in 2030,³ as compared to other studies considered by RETI 2.0. However, the RPS Calculator 6.2 case (the ‘low book-end’ of the RETI 2.0 energy projections) used by RETI 2.0 is the Mid-demand Mid-AAEE case⁴, which *does not include* SB 350’s energy efficiency targets—and indeed, should be properly labeled a low-efficiency sensitivity given SB 350. (Although RETI 2.0 does provide a second AAEE sensitivity, this assumes even *less* energy efficiency is achieved). Studying a scenario based on pre-SB 350 targets may provide useful information—but it should certainly not be the only scenario studied. Indeed at this point in time, California’s energy and resource agencies should be working together to make the SB 350 targets a reality. Ignoring SB 350 is not only poor policy, but it major impacts, since by 2030, ignoring SB350’s energy efficiency targets results in the equivalent of approximately 50 GHW⁵, which at a 50% RPS would result in a difference in 25k GWh (or 20 percent). Therefore, not accounting for SB 350 could lead to an over inflation in demand by some 20 percent. This over-inflation is even more significant because the RPS Calculator demand numbers are already the low end of the energy demand projections used by RETI 2.0. In order to develop accurate energy projections, we recommend RETI 2.0, at a minimum, study the mid and low demand forecasts—each using the SB 350 AAEE sensitivity.

² The SB350-friendly approach is double the 2014 IEPR Mid AAEE by 2030.

³ The range of need projections for 2030 ranging from the draft 2016 RPS Calculator v 6.2 Portfolios ranged of (2,785 MW (geothermal sensitivity) -- 6,982 (high BEV) (draft RPS Calculator), ‘Draft 2016 RPS Calculator’, RETI 2.0 Plenary Group Meeting, April 18, 2016, slide #9

⁴ RETI 2.0 Plenary Group Report Planning Goals Summary, May 2, 2016, slide #6, compare to RPS Calculator in 2016: Version 6.2, Draft RPS Portfolio, & Work Plan, Public Teleconference, March 21, 2016, slide #6.

⁵ RPS Calculator in 2016: Version 6.2, Draft RPS Portfolio, & Work Plan, Public Teleconference, March 21, 2016, slide #6.

B. RETI 2.0 should use energy projections developed through California's own regulatory processes.

RETI 2.0 must consider the most current and accurate energy demand projections. RETI 2.0 provides a range of energy projections from various studies. While we appreciate the breadth of this analysis, because these studies rely on different assumptions and methodologies, the energy projections are not directly comparable. Additionally, only one of these studies, the RPS Calculator 6.2, was developed since the passage of SB 350, and includes SB 350's statutory requirements. The RPS Calculator is also the only study developed through a regulatory process, and indeed, there were extensive stakeholder comments to both the Calculator itself and the LTPP's assumptions and scenarios provided as RPS Calculator inputs. Because both the LTPP and TPP rely on the RPS Calculator portfolios, by using the RPS Calculator solely as a 'bookend', RETI 2.0 misses an important opportunity to break down siloes between renewable energy and conservation planning efforts such as the DRECP and California's energy and transmission planning. Rather than relying on a range of studies not directly comparable, not developed through public processes, and not developed using California's current demand projections, and legal requirements, we recommend RETI 2.0 use the states own regulatory tool—the RPS Calculator—to determine energy demand.

C. RETI 2.0 should provide MW and MWh goals.

While we appreciate RETI 2.0's providing capacity projections, this process should, at a minimum, also provide energy projections. Because SB 350 is set to energy sales, as are the RPS Calculator, the LTPP and the TPP, stating energy projections in terms of capacity only is confusing to stakeholders and could impede the value of the RETI 2.0 process. Additionally, because the capacity factor of wind and solar technologies could change drastically over RETI 2.0's planning horizon, keeping projections in terms of energy/MWH will require fewer assumptions. Our recommendation above to utilize the RPS Calculator 6.2 to develop the range of energy projections in RETI 2.0 would solve this problem because the RPS Calculator provides demand projections in terms of energy.

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D. TAFAs should be limited to focal geographies as recommended by conservation groups

The focal geographies presented at the Joint Agencies Workshop are too ambitious in scope. The focal geographies; include (1) California Desert, San Joaquin Valley and Northern California, (2) Import Export Paths and (3) Out-of- state projects. Given the extremely short turn-around time of RETI 2.0, and sparse agency resources, we strongly reinforce the comments made by the Conservation Groups to the Plenary Group Meeting, that RETI 2.0 focus first on those geographies that have been studied through existing landscape scale planning processes and have identified low-impact locations for renewable energy before embarking on other regions. Providing a process to incorporate the outcomes of the DRECP, San Joaquin Solar Convening and Imperial County planning processes would be a valuable and achievable use of the RETI 2.0 process. Expanding to additional geographies, many of which have not been studied at all and are likely not to have sufficient data available for a useful analysis, is a misuse of finite agency and stakeholder resources.

III. Conclusion

We appreciate the opportunity to participate in this process. RETI 2.0 presents an opportunity to create a vision for rapidly decarbonizing the electricity sector while ramping up energy efficiency and protecting the natural and working lands that provide for the conservation of species and habitat as well as other important co-benefits such as carbon sequestration.

Respectfully submitted,



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



Greg Suba
Conservation Program Director
California Native Plant Society
gsuba@cnps.org

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



Ilene Anderson
Senior Scientist
Center for Biological Diversity
ianderson@biologicaldiversity.org

CC: Brian Turner by email (Brian.Turner@resources.ca.gov)
Scott Flint by email (Scott.Flint@energy.ca.gov)
Misa Milliron by email (Misa.Milliron@energy.ca.gov)