

DOCKETED

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SCEs Reply Comments on Feb. 23, 2017 Joint CPUC-CEC Workshop on GHG Target Setting for the Integrated Resource Planning (IRP) Process

Additional submitted attachment is included below.

March 9, 2017

Robert B. Weisenmiller
Chair and Lead Commissioner
California Energy Commission
Re: Docket No. 17-IEPR-07
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: 17-IEPR-07: Southern California Edison Company's Reply Comments on February 23, 2017 Joint CPUC-CEC Workshop on GHG Target Setting for the Integrated Resource Planning (IRP) Process

Dear Mr. Weisenmiller:

Southern California Edison Company ("SCE") respectfully submits these informal reply comments responding to the California Public Utilities Commission ("Commission" or "CPUC") and California Energy Commission ("CEC") Staff Discussion Document on Options for Setting Greenhouse Gas ("GHG") Planning Targets for Integrated Resource Planning ("IRP") and Apportioning Targets among Publicly Owned Utilities ("POUs") and Load-Serving Entities ("LSEs") ("Discussion Document"). These comments also address issues discussed at the February 23, 2017 Joint Agency Workshop on 2030 GHG Reduction Targets for IRP ("February 23 workshop"). Specifically, SCE's reply comments address state agency coordination efforts, GHG emissions planning targets and IRP modeling efforts, and IRP and environmental justice.

STATE AGENCY COORDINATION

SCE applauds the joint agency effort in developing and coordinating the February 23 workshop. Collaboration and coordination among state agencies (including the Commission, the CEC, the California Air Resources Board ("CARB"), and the California Independent System Operator ("CAISO")) is critical in order to develop IRPs that are consistent across entities and achieve the goals set out in Senate Bill 350. SCE has recommended increased coordination among state agencies in previous comments as part of the IRP process. Other parties have also commented

on the importance of state agency collaboration in the development of the IRP framework.¹ The February 23 workshop was a step in the right direction.

SCE urges the state agencies to continue these efforts and more fully coordinate their processes in the future, including through additional joint agency workshops. In particular, the CAISO needs to be an active participant in the development of the IRP process and framework. Many of the CAISO's efforts align with the IRP process. For example, it is vital to understand the relationship between the CAISO's Transmission Planning Process ("TPP") and the IRP process. The CAISO can provide guidance on lessons learned in the TPP, assist with developing a workable timeline, and provide much needed input on system reliability needs. Additionally, the CAISO has many years of experience developing models to evaluate system reliability needs.

The Commission, the CEC, and the CAISO have already undertaken effort to align the planning processes for the Long-term Procurement Plan ("LTPP"), the Integrated Energy Policy Report ("IEPR"), and the TPP.² Similar coordination efforts are needed for the IRP.

GHG EMISSIONS PLANNING TARGETS AND IRP MODELING EFFORTS

The majority of parties supported Option A for defining an overall electric sector GHG emissions planning target in 2030 for IRP purposes (*i.e.*, using the electric sector share of statewide 2030 emissions specified in CARB's Scoping Plan),³ and Option C for determining a methodology to divide the electric sector GHG emissions planning target between the Commission's and CEC's respective IRP processes (*i.e.*, determining a bottom-up methodology for apportioning the electric sector GHG emissions planning target among all retail sellers of electricity).⁴ As SCE explained in its comments, using a GHG emissions range for the planning target provides flexibility that can better accommodate future uncertainties in forecasting GHG emissions, including options to address the GHG emissions reduction impacts of electrification.⁵ Moreover, while using a GHG emissions range for the planning target will more effectively capture the benefits of electrification than a single GHG emissions planning target, the electric sector cannot be strictly limited to any range of GHG emissions without curtailing additional,

¹ See American Wind Energy Association California Caucus ("ACC") Comments at 3; Pacific Gas and Electric Company ("PG&E") Comments at 1, 5.

² See Alignment of Key Infrastructure Planning Processes by CPUC, CEC and CAISO Staff December 23, 2014, available at: http://www.energy.ca.gov/assessments/documents/CEC-CPUC-ISO_Process_Alignment_Text.pdf; LTPP, TPP and IEPR Process Alignment for CPUC, CAISO and CEC, April 18, 2014, available at: http://www.energy.ca.gov/assessments/documents/CEC-CPUC-ISO_Process_Diagram.pdf.

³ See ACC Comment at 3; Brookfield Renewable Comments at 1-2; California Unions for Reliable Energy Comments at 1-2; Center for Energy Efficiency and Renewable Technologies Comments at 2; Greenpower Institute ("GPI") Comments at 2; L. Jan Reid Comments at 1; Office of Ratepayer Advocates Comments at 2-3; PG&E Comments at 1-2; SCE Comments at 1-2.

⁴ See California Unions for Reliable Energy Comments at 2-3; GPI Comments at 3; L. Jan Reid Comments at 4; PG&E Comments at 3-4; SCE Comments at 3-4.

⁵ See SCE Comments at 1-2.

unplanned electrification or developing a mechanism whereby the electric sector is credited some quantity of GHG emissions reduced from electrification in other sectors.⁶

Furthermore, the CARB Scoping Plan (which is developed with input from various agencies and entities) relies on vetted data. For that reason, SCE supports the use of Option C, a bottom-up methodology using CARB's previously published forecasted GHG emissions that account for variances in the existing portfolios of each Electric Distribution Utility ("EDU"). If the CARB data changes, SCE recommends that any changes continue to take place through joint collaboration efforts between the CARB, CEC, Commission, CAISO and other affected parties (as is the case now with the CARB Scoping Plan). The Commission should not use Option B, dividing the electric sector target based on electric load served in 2016. Option B does not account for the current individual EDU portfolios and would create unbalanced and uneconomic effects across EDUs by apportioning the electric sector GHG emissions planning target based on load, rather than the current GHG emissions of the resources that serve the load.

Finally, with respect to modeling efforts, it is imperative that load-serving entities and other parties gain access to the modeling tools the Commission will use to develop the IRP state reference plan as soon as possible. Access to the E3 RESOLVE model has already been delayed several times, from November 2016 to March 2017. Any additional delays may necessitate a delay in the filing date of the 2017 IRPs. In addition, SCE supports the comment made by PG&E at the February 23 workshop stating that the California PATHWAYS model used by CARB is not an effective economic dispatch model. In the future, SCE recommends that CARB and other entities use models that can accurately analyze capacity expansion and economic dispatch.

IRP AND ENVIRONMENTAL JUSTICE

As SCE discussed in prior comments, SCE is committed to ensuring that all of its customers can participate in the transition to a clean energy future.⁷ In this case, participation includes more than just the opportunity to benefit from new technologies. Participation also includes the opportunity to participate in the process to develop, adjust, and evaluate the programs that bring those technologies into local neighborhoods.

It was with this perspective that on December 2, 2016, SCE organized a community brainstorming session titled, "Making Clean Energy Accessible in Low Income and Disadvantaged Communities." The purpose of this discussion was to build off the work done in the CEC's Low-Income Barriers Study, and to further explore the barriers and opportunities to

⁶ *See id.*

⁷ *See* Southern California Edison Company's (U 338-E) Comments on Ruling of Assigned Commissioner and Administrative Law Judge Requesting Comments on Disadvantaged Communities and Other Aspects of Senate Bill 350, and Modifying Proceeding Schedule, February 17, 2017; Southern California Edison Company's (U 338-E) Reply Comments on Ruling of Assigned Commissioner and Administrative Law Judge Requesting Comments on Disadvantaged Communities and Other Aspects of Senate Bill 350, and Modifying Proceeding Schedule, February 27, 2017.

the widespread adoption of clean energy and electric vehicles in low-income or disadvantaged communities, and to understand how those barriers manifest in the communities in SCE's service territory. Over 30 people attended the day-long session, including stakeholders from environmental and social justice nonprofits, as well as experts in the areas of electric transportation, community development, and the small business sector. SCE sees this session as a successful first step, with many lessons learned.

Ultimately, the brainstorming session produced a set of recommendations that both reinforced some of the conclusions of the CEC's Low-Income Barriers Study (such as the fact that many homes cannot host solar due to old or unstable roofs), but also presented recommendations that were new to SCE (*e.g.*, provide opportunities to ride in electric vehicles by loaning electric vehicles to community centers). One notable takeaway is that the session's environment – structured but informal – supported respectful discussion.

The recommendations that came out of the brainstorming session varied greatly in cost, complexity, and implementability. Some of the more straightforward suggestions (*e.g.*, to create an “electric vehicles 101”) were already in progress or easily accommodated, while others were out of SCE's scope of action entirely (*e.g.*, roof repairs to support distributed solar). Most of the recommendations fell between these extremes, and for these topics SCE takes the same approach that we advocate for developing policies to address impacts on disadvantaged communities within the IRP process: minimizing localized air pollutants and other greenhouse gas emissions with early priority on disadvantaged communities is an important policy objective of the IRP process, but it is also one of many goals (*e.g.*, ensuring reliability and minimizing impacts on customer bills). At the February 23 workshop, Communities for a Better Environment advocated for viewing disadvantaged community benefits as the focal point of the entire IRP proceeding. However, as explained in SCE's previous comments, the IRP approach to disadvantaged communities should balance all policy objectives.⁸

SCE recognizes that engagement is a continuous process, and SCE looks forward to continuing its engagement with its customers, including those in disadvantaged communities, and to seek their candid appraisal of SCE's programs, and have a serious dialogue about opportunities to improve. SCE will share its experience as it learns more.

Thank you very much for your consideration.

Very truly yours,

/s/ Catherine Hackney

Catherine Hackney

⁸ See Southern California Edison Company's (U 338-E) Reply Comments on Ruling of Assigned Commissioner and Administrative Law Judge Requesting Comments on Disadvantaged Communities and Other Aspects of Senate Bill 350, and Modifying Proceeding Schedule, February 27, 2017, at 5-8.