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CALIFORNIA ENERGY COMMISSION

In the Matter of:	)	
	)	Docket No. 17-IEPR-07
IEPR Commissioner Workshop on	)	
Draft Guidelines for Publicly	)	
Owned Utility Integrated Resource	)	
Plans	)	
	)	

CALIFORNIA ENERGY COMMISSION

ROSENFELD HEARING ROOM - FIRST FLOOR

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

THURSDAY, MAY 25, 2017

10:00 A.M.

Reported by:

Gigi Lastra

APPEARANCES

COMMISSIONERS

Robert Weisenmiller, Chair

Janea Scott, Commissioner

Andrew McAllister, Commissioner

Karen Douglas, Commissioner

ENERGY COMMISSION STAFF

Heather Raitt, Assistant Executive Director for Policy Development

Kevin Barker, Chief of Staff for Chair Weisenmiller

Galen Lemei, Staff Counsel

Jana Romero, Staff Counsel

PRESENTERS

Garry O'Neill-Mariscal, Supply Analysis Office

Monica Padilla (via WebEx), City of Palo Alto

James Barner (via WebEx), Los Angeles Department of Water and Power

Tanya DeRivi, Southern California Public Power Authority

Scott Tomashefsky, Northern California Power Agency

Tim Tutt, Sacramento Municipal Utility District

Justin Wynne, California Municipal Utilities Association

Dan Severson, Turlock Irrigation District

PUBLIC COMMENT

Sean Neal, Duncan, Weinberg, Genzer and Pembroken on behalf of Imperial Irrigation District

AGENDA

P R O C E E D I N G S

10:03 A.M.

SACRAMENTO, CALIFORNIA, THURSDAY, MAY 25, 2017

MS. RAITT: -- Staff to Roosevelt Park which is across the street. Please be aware that the meeting today is being broadcast over the WebEx conferencing system, and so parties are being recorded. There will be a posting in about a week of the audio recording, and the transcript will be posted in about a month.

At the end of the day we will have an opportunity for public comments, and we'll limit comments to three minutes per person. If you're on WebEx and you'd like to make a comment, please use the chat function to let our coordinator know you'd like to.

Written comments are due on June 15th. And the instructions for doing so are provided in the notice.

And with that, I'll turn it over to Chair Weisenmiller for opening remarks.

CHAIR WEISENMILLER: Thank you. Obviously, one of the center points of SB 350 is the IRP process. This is our next step in that, is proposing guidelines. We've had a couple good meetings and conversations. I believe we're making progress. But again, this is certainly one of the key decision points of this IEPR will be these guidelines.

So again, looking forward to hearing people's comments on this proposal.

COMMISSIONER SCOTT: So I share those thoughts and echo them. I am also very much looking forward to hearing your comments on the draft guidelines. And would underscore what the Chair said about this being one of the central components to SB 350 and making sure we hit our climate change goals for the state. So I am, again, looking very much forward to the comments.

And I also want to just say thank you so much to the POUs for working so closely with us as we developed these, to my Advisor, Matt Coldwell, and to Jana Romero for working, especially on the transportation electrification component, so closely with our Transportation Team and our Assessments Division to put together what I think is a pretty solid draft. So I'm looking forward to your comments on that.

Thank you.

MS. RAITT: Thanks. So Garry O'Neill-Mariscal is going to give the presentation. Thank you.

MR. O'NEILL-MARISCAL: Good morning. I'm Garry O'Neill-Mariscal. I work for the California Energy Commission's Supply Analysis Office. I'll be presenting on the draft guidelines today.

The overview, we just wanted to get public input

on the staff draft, POU input on the staff draft, find out if there's any remaining issues that we need to address going forward. The outline for today, we'll be going over the background of SB 350 and how it relates to IRPs, kind of a brief overview of the high-level public comments we have received so far that relate to major changes in the guidelines, and then an overview of the staff draft.

So Energy Commission has new responsibilities that were created by SB 350 under 9621 and 9622 of the Public Utilities Code. Energy Commission is required to review POU IRPs for consistency with Public Utilities Code section 9621. Energy Commission is also required to provide recommendations for any deficiencies that we find if the POU IRPs are not consistent with Public Utility Code 9621.

Energy Commission also was given the authority to adopt guidelines to govern the submission of data needed for our analysis and review of POU IRP guideline -- IRPs.

There are 16 POUs that Energy Commission has identified that fall within the POU IRP guideline -- I'm sorry, the POU IRP requirements. This is a list of those. POU IRP requirements require that the POUs plan to achieve an emissions reduction target for 2030 established by ARB, consistent with the 40 percent reduction compared to 1990 levels, or at least the electricity sectors portion of that,

procurement of at least 50 percent renewables by 2030, consistent with 399.11 of the Public Utilities Code, and then meet the goals outlaid within sections 454.52(c)(2)(H). There is a caveat to subsection (c), I won't go over that right now, as it relates to POUS. Also, the POUs are required to adopt a process for updating IRPs at least once every five years.

There are requirements for -- soft requirements, I would call them, for POUS, they need to address. These are energy efficiency and demand response resources, energy storage, transportation electrification, resource adequacy requirements, and procurement of diversified resources. And we'll go over what the address means later on the overview.

We've held several workshops related to the POU RIPs and some subtopics, specifically renewables and transportation electrification. The latest workshop was April 20th on a webinar on inputs and assumptions, and then April 27th on medium-duty and heavy-duty electric vehicle sector.

Some of the key takeaways from the POUs have informed us that, you know, some of our earlier drafts, we may have overstepped our authority. So we have limited our role or our scope of the guidelines to fit better within our authority within 9622. Energy Commission, one of the things that we're guilty of is not relaying the message of what an

IRP actually is to policymakers, but we are trying to correct that and fix our messaging. And one of the things that we do have to mention is that SB 350 did add new requirements to IRPs for the POUs for minimum planning requirements.

So the scope of the guidelines is to govern the submission of information, data and reports that the Energy Commission needs to review the integrated resource plans. This includes any data that we need for our analysis. Some of the things are not directly required, but we felt that we needed the information. Those are spelled out within the guidelines.

The guidelines also provide recommendations for additional analysis that is not necessarily required by SB 350 but we feel would be beneficial to the POUs and to the POU boards. We also provide -- or, I'm sorry -- provide an outlay of the administrative procedures, the schedule for submitting IRPs to the Energy Commission, and then describe the Energy Commission's review process.

So the filing procedures outlaid within the guidelines, the schedule is that the guidelines would be due, this is the proposed schedule, IRPs would be due to the Energy Commission on April 30th, 2019, and then at least once every five years after that.

IRPs update -- so the IRP updates would be based

on -- a due date would be based on when the Board adopts it. We've outlaid a schedule which we think is reasonable. The goal is to get IRP submissions into the Energy Commission as close to April 30th as possible, with the exception of any IRPs that are adopted within May, April or May -- I'm sorry, March, April, May, due 90 days after Board adoption. There is a process built into the guidelines for the POUs to request a time extension, if necessary.

The IRP filing, we define what an IRP filing is. This is the IRP that is adopted by the POU governing board. And this includes additional information, supporting information that the Energy Commission feels is necessary for our review. The updates must be submitted at least once every five years following that initial IRP filing. We have an electronic filing process.

Confidentiality designation; POUs may request confidentiality for sensitive information within their IRP filing, if necessary. And then we also provide for representative entities may file on behalf of the POUs.

AS I mentioned in the last slide, the IRPs must include the IRP supporting information, and then four standardized tables. The standardized tables are provided to give a simple, straightforward way to provide all the information in one location that is easy for the Energy Commission staff to review and for the -- and easy for the

POUs to provide that information.

Supporting information includes any studies, data or other materials in which the POU uses to develop their assumptions or conclusions within their IRP. These can be included directly or as a reference to a source document, whether it be with -- the source document be with the Energy Commission or some other government agency. And supporting information is used to supplement any data that you submit to the Energy Commission.

The standardized tables are four tables. They're very similar to the supply resource forms that are filed with the Energy Commission every other year as part of the IEPR.

The first table is a capacity resource table. This just goes over the annual peak in -- the annual peak capacity demand each year, and the contribution from all the various energy resources and other components within that.

The energy balance table goes over the energy procured to meet total energy demand.

We have an RPS procurement table. This provides a flexible means for the utilities to plan to meet their or achieve their RPS targets. We try to include flexible compliance mechanisms to the best of our ability, recognizing that this is a planning document, so some of those flexible compliance mechanisms may not be relevant.

And then a GHG emissions accounting table. And this is for the POUs to demonstrate that they are achieving their GHG emissions target for 2030.

Energy Commission staff are required to review IRP filing requirements. We will be using step-two process. We'll be first checking to see if the IRP is complete. If we find that the IRP is missing a component that is needed for our review, we will request more information from the POUs. We will also be allowing or accepting public comment for the first month after the IRP is posted to the website.

Related to completeness or consistency with section 9621, public comments related to whether or not the IRP achieves the goals and the targets set by 9621, will be considered in the Energy Commission's second step of our review. The second step of the review will identify potential deficiencies and develop recommendations to correct them within the IRP. And we will use our -- that review to create a preliminary determination, a staff-level determination. The POUs will be given an opportunity to respond to that preliminary determination, if they so choose. There's no requirement that they do so.

After the preliminary determination, a final determination will be proposed for adoption by the California Energy Commission at a regularly scheduled business meeting.

As I mentioned in the previous slide, additional information may be requested. We reserve the right to do that at any time during the review process. We ask that the POUs reply to that request for information within 30 days. Additional time may be needed, which the POUs can use the time extension provisions within the guidelines to ask for more time to submit the information.

Deficient IRPs; the Energy Commission will be, during our review process, finding whether or not an IRP is consistent or deficient within the section 9621 of the Public Utilities Code. There is a provision within our guidelines where we provide that noncompliance with PUC section 9621, that would be, basically, if a POU fails to submit an IRP within five years of the previous adopted IRP or doesn't submit -- I'm sorry, fails to submit a complete IRP to the Energy Commission and does not correct that with repeated requests for additional information.

So the filing -- IRP filing contents that we have identified based on 9621 of the Public Utilities Code include a planning horizon which encompasses the first year, January 1st, 2019 through December 30th -- I'm sorry, December 31st, 2030. This allows for the full analysis of an IRP over the stated goals within public utilities code section 9621, and that is the GHG targets and the RPS targets.

For our review, we require there be at least one scenario that is submitted to the Energy Commission that achieves all of the stated goals and targets within Public Utilities Code 9621. However, there may be sensitivities or other scenario analysis that the POU may wish to perform to show or demonstrate the impacts to rates or other functions within the IRP process. We welcome any of that data to be submitted to the Energy Commission, or a description of those scenarios and sensitivities, or the conclusions that you found within those. Those are not required.

Each scenario should have a demand forecast identified. We recommend that you use California Energy Commission's energy demand forecast. However, the POU may choose to use their own demand forecast. We only ask that you provide us information for how that demand forecast was developed, and some of the assumptions that underlie it.

So these are some of the various components that go into the resource procurement plan that we are requiring be submitted to us. 9621 requires a diversified procurement portfolio. We feel that this section would be met by meeting some of the sub bullets below on this slide; RPS procurement requirements, demonstration of meeting 30 -- 50 percent RPS, consistent with PUC 399.11, energy and demand response.

There is a provision in here that you -- that POUs

need only address this, the procurement of energy efficiency and demand response. But insofar as energy efficiency and demand response is included within their IRP, we do ask that those -- the impacts of those programs be included within the standardized tables, peak impact and storage.

Energy storage; again, this doesn't address -- POUs are only required to address this if they find that it doesn't fit within their resource needs. It need not be included. Insofar as it is included within their IRP, we ask that the impacts be included within the standardized tables.

Same with transportation electrification, an important component. Insofar as there is any transportation electrification assumed to be within the IRP, we ask that the impacts be included in the standardized tables.

Systems and local reliability; IRPs are required to demonstrate that their plan is reliable. According to the bullets on this slide, there is reliability criteria that is outlined within the statute that we are asking the POUs demonstrate that they meet. That means reporting a planning reserve margin, peak demand and operating reserves to meet that peak demand. And then there is also utilization, at a minimum, of the planning reserve and reliability criteria approved by the WECC.

We are asking for information regarding local

reliability areas within the POU service territory, and flexible capacity procurement that the POUs are making, particularly when needed to integrate high levels of renewable energy within their system, meeting estimated ramping needs due to solar in particular, and demonstrate sufficient, flexible and dispatchable capacity to mitigate any challenges on the system.

One of the main purposes of the SB 350 was greenhouse gas reductions. The IRP filing contents, we really -- POUs must demonstrate that their plans achieve the 2030 target set by ARB, utility-specific target, within the plan. Within the standardized tables, the Energy Commission staff has provided a table that the POUs would provide the emission intensity for all of the energy generation resources within their portfolio. And then from there we can calculate the emissions estimates for their portfolio going through 2030.

We ask that additional information be provided by emissions impacts that the POU estimates would occur from transportation electrification, that is increased load due to electric vehicles and the corresponding decrease in GHG emissions from electric -- conventional vehicles on the road.

Public Utility Code 452 provides that two sub bullets on retail rates, we are asking the POUs provide

information to demonstrate that they have taken retail rates into consideration within their IRPs. We have -- the draft guidelines suggest that this could be demonstrated through a report or a study that is adopted by the POU board. We also include POUs to discuss how various policy options or decisions made in their plan effects retail rates.

We are asking that POUs discuss any bulk transmission or distribution system impacts or upgrades that are planned over the forecasted period. Some of these things include reliability concerns or upgrades to integrate renewables. These should be provided as their applicable. There is no requirement to provide anything if there are no transmission upgrades identified within the plan.

IRPs need to address localized air pollutants with early adoption of programs in disadvantaged communities. Disadvantaged communities are identified or defined by the CalEPA under Health and Safety Code -- I don't have that code in front of me, I apologize. We are asking for current programs that the POUs have within their service territory to address these, or new and existing emissions reductions programs focused on disadvantaged communities.

So that concludes the overview.

Next steps for this, we are having a staff webinar on the standard tables and the instructions for filling those out on May 31st. I apologize that these were not

ready to be placed within the guidelines to discuss today. They were posted yesterday online for review and comment. Hopefully we can have a good discussion on that at our webinar on May 31st.

Public comments for this workshop will be due June 15th on the draft guidelines and on the standardized tables. Based on this schedule, the adoption of final POU IRP guidelines will hopefully occur within -- at the August 2017 business meeting. And then, of course, the January 1st deadline for submitting IRPs to -- or, I'm sorry, adopting IRPs by the POUs.

Thank you. And this is Docket 17-IEPR-07 for submitting any comments to the Energy Commission.

MS. RAITT: Thank you, Garry.

So for folks in the audience, we were having some trouble with WebEx, but it's fixed, if you need to let anybody know. We've also sent out an email blast so that folks know.

So next we have two presentations for public owned publicly owned utility rate cases on the IRP process. And we're going to take out of order from the agenda.

So first will be Monica Padilla from Palo Alto via WebEx.

MS. PADILLA: Hi there. Can you guys hear me?

MS. RAITT: Yes. Thank you.

MS. PADILLA: Great. Okay. So thank you so much for allowing us this opportunity to showcase what we are doing here in Palo Alto. As mentioned, I'm Monica Padilla. I'm a Senior Resource Planner with the City of Palo Alto.

So Palo Alto has a population of roughly 60,000 residents, and we serve roughly 29,000 customers. Our utility department provides water, gas, wastewater, fiber and electric services. For the electric utility, our retail sales in 2017 are predicted to be roughly 925 gigawatt hours, with a peak demand of about 170 megawatts.

Palo Alto Utilities is governed by our City of Palo Alto's Council, which is made up of nine elected representatives, and a Utility Advisory Commission which advises our council on several utility policy related items. We are a founding member of NCPA and a member of CMUA, as well.

So back in April, we talked a little bit about what Palo Alto has been doing in terms of integrated resource planning. We actually developed our first IRP in 1992. But when a bunch of mandates came into the state and the city adopted several policies related to how we will manage the portfolio for our electric customers, we stopped calling it an IRP. So in 2001, we actually started calling it our Long Term Electric Acquisition Plan, but it essentially achieves the same objectives as an IRP.

In 2007, and again in 2011, we updated our IRP, or Long Term Electric Acquisition Plan. The 2007 plan had a huge focus on how to reduce the greenhouse gas emissions associated with not only the electric supply portfolio, but all the greenhouse gas emissions for the community of Palo Alto. In 2007 the city adopted a permanent (phonetic) protection plan with an objection to reduce greenhouse gas emissions by 15 percent from 2005 levels by the year 2020. So that was kind of the basis of the objectives and strategies that we would evaluate when developing our 2007 plan. Our current -- our 2007, and also our 2011 Integrated Resource Plan.

Our current three objectives, as approved by our city council, includes the following three objectives. First, we'll meet our customers electricity needs to the acquisition of least total cost energy and demand resources, and include an assessment of their environmental costs and benefits of meeting those portfolio needs. Second. We'll manage their (indiscernible) cost uncertainty to meet rate and reserve objectives. And then third, we'll enhance the supply reliability to meet city and customer needs by pursuing opportunities, including transmission system upgrades and local generation.

So those three objectives were supported by several strategies that key -- eight key strategies that

focused on the following areas: One, resource acquisition; two, energy efficiency and demand reduction; three, renewable portfolio standard; four, local generation, five, climate protection; six, market price exposure and cost management; seven, hydroelectric resource management; and finally, transmission and reliability planning.

In support of those eight strategies, we developed and counsel approved 38 different initiatives that we would pursue. And these initiatives were either evaluation, development of some models, or actually evaluation in development of a plan or policies to achieve the objectives that were included in our IRP.

Some of the major initiatives that came out of this plan included the development of an avoided cost model which would essentially look at all resources, including demand side and supply side, on an equal footing. And it would take into consideration the loading order, as required by the state.

Second, the development of energy efficiency targets consistent with the state law to develop a ten-year energy efficiency plan every five years. So Palo Alto has submitted, since then, its 2007, 2012 and 2017 energy efficiency targets to the State of California. Another key initiative -- oh, and by the way, our last energy efficiency target set a 5.7 cumulative reduction target by 2027, which

was actually greater than 30 -- it was 30 percent greater than the target set in 2012, which we believe to be a very aggressive target.

We've also developed some demand reduction pilot programs as a result of the IRP. And those private programs have proved to be very successful, and so we're looking at continuing them in the long term.

We also evaluated an energy storage target, as required by AB 2514, both in 2014 and 2016. Both times we recommended to our city council and they approved our recommendation to not set targets as we did not find energy storage to be cost effective right now. We did, however, recommend that we evaluate pilot programs on the distribution grid side, along with looking at microgrid programs. And that recommendation is expected to be reviewed by our city council later this year. And, if approved, we hope to start implementing those pilot programs in 2018.

The IRP also looked at establishing an aggressive renewable portfolio standard, beyond what the state was requiring at the time. And in doing so we actually had counsel approve a 33 percent RPS by 2015, but they also directed us to maximize how much renewables we can achieve, up to a half cent -- a fifty cent -- excuse me, a half cent per kilowatt-hour green premium. So in 2017, we now expect

to be about 60 percent RPS with about 12 percent coming from landfill gas, another 12 percent coming from wind, 1 percent from small hydro, and over 52 percent coming from utility-scale solar. And all of these resources are in California. We've been able to achieve this well within the green premium cap that our city council established for us.

As part of the IRP, one of the directives that our council was very focused on was how to reduce the carbon intensity of electric supply portfolio beyond an aggressive RPS. And so in 2013, our city council adopted the Carbon Neutral Plan. The Carbon Neutral Plan basically establishes a methodology by which we would count all the emissions associated with our resources as measured at our city gate. We adopted the Climate Registry's Electric Power Sector Protocol to both measure and neutralize greenhouse gas emissions associated with our electric portfolio.

In 2013, we were able to essentially achieve being carbon neutral through the use of energy efficiency measures, clean distributed generation, such as solar photovoltaics, large hydro, and our RPS portfolio. Because we were short of meeting carbon neutrality through those resources alone, we also had to use renewable energy certificates to neutralize our load -- our carbon, excuse me.

But in 2017, with a 60 percent RPS and very

favorable large hydro conditions, we expect to be completely carbon neutral without the use of RECs (phonetic), and that is our long-term goal. In approving our Carbon Neutral Plan, our city council also approved a rate cap associated with procuring additional resources to get to carbon neutral, and that rate cap is set at .15 cents per kilowatt hour.

Another major initiative that was a result of our IRP was the development of a local solar plan. So even though we were carbon neutral, there is a strong desire in our community and by our city council to pursue all cost effective local renewables over 12 PV.

The target that was set by our council in 2013 as a result of our local solar plan was to achieve 23 megawatts of rooftop solar by the year 2023, which represents about four percent of our load. This is a pretty aggressive target in that we are currently 9 megawatts, and we're close to achieving our NEM Cap. This target also includes a target of 3 megawatts associated with the Feed-In Tariff Program that we have in Palo Alto.

Council also adopted, along with the local solar plan, a three-program initiative for us to pursue in the coming years, including developing a group buy program so that we could reduce both the soft costs and hard costs associated with installing solar, a community solar program

so that we could help those who want to participate in the solar movement that don't have the appropriate access or roof that would enable them to install solar on their roof, and then last, the solar donation program for some of the nonprofit organizations in Palo Alto.

Since the local solar plan has been developed or approved, we've actually done two group buy programs, and we're in the process of developing a community solar program.

The IRP also -- well, more importantly, the development of a Carbon Neutral Plan forced us to relook at our voluntary PaloAltoGreen Rate tariff. We had one of the most successful programs at that time in the nation. But with the 100 percent carbon neutral, we didn't feel it was necessary to continue to offer this program. However, our customers felt otherwise. We have several large commercial customers who are participate in either the Environmental Protection Agency's Green Power Partner Program or are pursuing or want to maintain their LEED certification, or for whatever reason, their corporate headquarters have established some high and aggressive sustainability requirement action goals.

So because of this, they wanted us to continue to the offer the program so that they can meet these objectives, and so we redesigned our PaloAltoGreen Program

to allow those customers who want to procure blocks of renewable energy certificates or who want to have all of their load met by renewable resources that are above and beyond what we currently provide. They can actually pay to do that now.

So those are the major initiatives that came out of the last IRP.

We're now in the process of embarking on our new IRP. In fact, we have our first stakeholder meeting set for next month, June 7th, where we'll be talking about why we need to update our IRP and what some of the key drivers are going to be of that IRP.

For starters, since our last IRP, our city council has adopted even more aggressive greenhouse gas reduction targets. Through the approval of the Sustainability Climate Action Plan, our city council has set a greenhouse gas emission reduction target for the community of 80 percent from 1990 levels by the year 2030. So our Carbon Neutral Plan alone, along with our energy efficiency measures, has achieved roughly 36 percent of that goal already. And so we'll assume that we're going to continue to offer our Carbon Neutral Plan into the future. And so from an electric standpoint, we essentially have achieved the goals that have been set by our city council, and we also

surpassed the goals that are set in SB 350 and/or by the state.

The other greenhouse gas emissions reductions are expected to come from other sectors of the community, including transportation and our natural gas utility.

Another key focus of our upcoming IRP is going to be what to do post 2024 when the City of Palo Alto is faced with a decision to either continue with a large hydro resource that we have in our portfolio right now, or replace it with other carbon-neutral or RPS eligible resources. So we expect that to be the biggest issue that our city council and our community will talk about through the process of developing the next IRP.

And then other items that we anticipate we looking at through this IRP are the integration of distributed energy resources. We've also already embarked on a process to develop a Distributed Energy Resource Plan. That Distributed Energy Resource Plan will look at where we can achieve the greatest penetration of energy efficiency, demand reduction and distributed generation throughout our system, and then project and set targets for those, for distributed energy resources from Palo Alto. Those will be incorporated into our load forecast and planned for accordingly.

Additionally, our IRP will look at just some basic

portfolio management issues, including meeting our -- planning and meeting our capacity needs, transmission reliability, and risk management of our portfolio related to hydro and market price exposure.

And then as I mentioned before, with the very aggressive greenhouse gas reduction targets adopted by our city council for the community, there is a huge emphasis on electrification of vehicles in Palo Alto, and possibly even fuel-switching appliances that use natural gas to electricity. Since Palo Alto provides both natural gas and electricity service, the city feels that this is an appropriate thing for us to pursue and recommend to our customers when it makes sense. So our IRP or our load forecast will need to incorporate the impacts of electrification onto the electric portfolio and how to plan for it accordingly.

And then last but not least, we certainly will talk to our city council and our stakeholders about incorporating the many requirements that are established as a part of SB 350, including the energy efficiency requirements, the need to increase the RPS, which again, we're already at, but we'll formally adopt that, and the various reporting requirements.

That's essentially it.

I did have -- or Palo Alto did have a chance to

review the CEC's proposed guidelines, and we've submitted our comments to the CMUA. And so we fully support CMUA's comments, and specifically we support clarification on what is mandatory versus discretionary in terms of reporting.

With that, I'll take any questions, or I'm not sure what the format is for this panel.

CHAIR WEISENMILLER: Sure. Let's start.

So on the discretionary, are you saying you know nothing about these areas or you just -- it's inconvenient to respond?

MS. PADILLA: Oh, no, no. Just clarification on what is mandatory versus discretionary. We fully -- when we evaluated the guidelines, or when I reviewed them, there was nothing necessarily in the guidelines that weren't items that we were already planning on evaluating or reviewing as part of our next IRP. It's just having a better understanding on the reporting requirement associated with the different elements of your proposed guidelines.

CHAIR WEISENMILLER: Okay. So you're saying you actually look at, and it's the question of the convenience or cost of filling out the forms?

MS. PADILLA: Pardon?

CHAIR WEISENMILLER: Again, I'm just trying to zero in on the discretionary aspects. And you're saying, as I understand it, you look at them.

And so now the next question is why not respond in those areas? And that gets to either cost or convenience. And I'm trying to understand your perspective on that.

MS. PADILLA: Okay. Well, for example, there is -- one of the items was related to reliability and resource adequacy and planning for possible reliability issues associated with the California grid due to overgeneration, due to a large penetration of renewables. Just at first look, it doesn't seem like something that would be within our, necessarily, purview to talk about establishing targets or establishing initiatives to respond to that. So maybe our response would be just a qualitative response that this is what we do in terms of meeting, say, reliability issues, we manage that by retaining capacity and/or procuring resource adequacy products on the market, as required.

So it wasn't clear -- so when I first -- the first time that I read the guidelines, whether a response to how we plan to meet for that is mandatory or discretionary. And simply looking at it would not be an issue. And providing a qualitative answer to those different areas would certainly not be an issue at all, either.

CHAIR WEISENMILLER: Okay. Well, as we go forward, we'll certainly dive into the issues more. Obviously, one of the issues for the POUs is, well, I can

look at ISO today and see exactly what's going on, on the grid. For the POU balancing authorities, it's not there. And certainly if you look on the international level, there's of lot of activity to try to -- for balancing authorities to start following what they're doing in the area of ramping, overage and frequency control. These are not trivial issues, particularly if you look at the experience in Germany or China or the U.S.

So the only other questions is how much are you ready for dealing with the upcoming realities on the grid?

But anyone else?

But again, having said that, it's certainly a fascinating conversation. It's really impressive what Palo Alto is doing. And, you know, particularly in the carbon neutrality and sort of thinking about an IRP process really centered around GHG, you know? So we certainly look forward to working with you in these areas.

COMMISSIONER SCOTT: This is Janea Scott. Thank you for your in-depth presentation.

I wondered if you had any just high-level bullet points on what Palo Alto is doing with regards to transportation electrification?

MS. PADILLA: I'm actually not the right person to talk to about that. And I know that city staff has shared the information with the CEC, most recently, I think, just a

few months ago. From a city standpoint, I think we're looking at several measures, however, including looking for ways to increase the insulation of charging stations throughout Palo Alto, and specifically looking at multi-family and how to facilitate the deployment of charges in multifamily-type dwellings.

We also have some incentive dollars available through another -- and I always butcher this, the LCS -- LCFS credits and looking to see how we can use those funds to help deploy more electric vehicle charging stations.

COMMISSIONER SCOTT: Great. Thanks.

COMMISSIONER MCALLISTER: So this is Andrew McAllister.

I'm just wondering, maybe you could expand just a tad (indiscernible) that this is happening in the IRP process on your end on sort of the treatment, you know, the doubling energy efficiency, certainly, in the IRP and how that, you know, presumably will be represented.

Sort of along those lines, you know, on the carbon side of things, what role -- I mean, I know Palo Alto is a leader on looking for low-carbon technologies. And I guess I'm wondering about your -- what you might say about the building code role in the doubling and electrification in terms of, you know, moving between natural gas and electric? That's something that I think the POUs have a more

straightforward dealing with, as opposed to the investment utilities, but interested in your thoughts about how that -- how both of those, the building code and electrification of heating, plays into your long-term goals in your IRP.

MS. PADILLA: Right. Okay. Again, I'm probably not the -- I'm not the expert in this area, but I'll try my best. And if I can't answer my questions, I can certainly direct you to the right person.

In terms of energy efficiency, my understanding is that the last ten-year plan that we submitted to the state, which was, I believe, in 2017 or at the end of 2016, actually addressed the doubling of energy efficiency targets, as set in SB 350. And I understand that there's still some work to be done there and that the CEC is still working on how the actual energy efficiency targets or measurement of energy savings will happen. So that's as much as I can say about that, although I will also add that we do pursue all cost effective energy efficiency and demand response measures. And we have a very aggressive team of staff that works with a large set of consultants to work with our customers to deploy that energy efficiency.

In terms of fuel-switching or electrification of appliances, we do have a Heat Pump Water Heater Pilot Program that has been in place for, I think, almost a year now. We're learning a lot about that on what it costs and

what it takes to actually implement heat pump water heaters in Palo Alto. And that's been -- I don't know if it's been a huge surprise, but it certainly has been interesting to learn about the cost associated with implementing that, and the permitting requirements, and lack of information out there in the contractor arena on how to implement these.

So other than that, I don't really know how much more I can add to that discussion. I know that city staff has talked to CEC staff in the past about heat pump water heaters and changes, potentially, to codes to enable better deployment of heat pump water heaters in California.

We did recently go to our Utility Advisor Commission and, I believe, our city council, as well, with a recommendation to not mandate heat pump water heaters in Palo Alto, but instead to pursue, again, expansion of the pilot programs and incentives to encourage our customers to switch from natural gas to electric since electric is carbon neutral at this point.

I will also add that our city council recently adopted a policy to achieve carbon neutrality for our natural gas utility through the use of offsets, and these are CARB certified, or I think it's CARB-certified offsets.

So the discussion about electrification versus neutralizing our carbon with offsets is one that our community is very interested in. And so I think that that

policy may get refined as we get a better understanding on what electrification or fuel-switching measures are actually viable in Palo Alto.

COMMISSIONER MCALLISTER: Thank you.

CHAIR WEISENMILLER: I was just going to say, certainly -- this is Bob following up again -- we'd be very interested in the results of the balance study. I mean, in the E3 Pathway Study, it really flagged the issue of water heater electrification. Obviously, one of the primary barriers they identified ARB scoping plan was the commercial viability of (indiscernible). So certainly trying to get information on real-world performance will be very important.

COMMISSIONER MCALLISTER: Yeah. That will help us update the statewide building code, you know, in ways that are appropriate. And it's nice that you're having those substantive conversations at the local level and coming up with reasonable solutions for the near term, and hopefully we can, you know, build on those for the long term.

And I'll also just say that the goal-setting process for the doubling is ongoing, as you said. So, you know, which proof of that is reasonably included in the IRPs versus, you know, things that are maybe more long term or more speculative that are out there in the marketplace? That's an ongoing conversation.

So appreciate, you know, the coordination between the IRPs and all the other stakeholders in the efficiency realm to make sure that the expectations are set, you know, reasonably and correctly, but still aggressively for the IRPs themselves.

MS. RAITT: Okay. Hearing no more questions, thank you, Monica. Greatly appreciate your presentation.

MS. PADILLA: You're welcome.

MS. RAITT: And next we'll move on to James Barner of LADWP, also presenting via WebEx.

MR. BARNER: Hello. This is James. Can you hear me?

MS. RAITT: Yes. Thank you.

MR. BARNER: Okay. Thank you for letting me present today. I'm going to show our presentation of our IRP and various elements, and our process that we use in our IRP, to show how we might comply with these guidelines.

I want to first acknowledge the staff for the good work that they've done to create guidelines that are very comprehensive, easy to understand. We're still going through them, but so far we find them to be very flexible and comprehensive to meet the requirements of SB 350, so thank you very much.

I'd like the next slide please.

So we have a pretty well developed IRP development

process that we've been following for about seven years now. Every other year we have an advisory committee that we form and a public outreach effort. That's the top level and the bottom level of this chart here. That's done every other year. And then we produce an IRP every year.

So we first gather stakeholder input from our city council, mayor's staff, major customers, environmental organizations, and we also include the Office of Public Accountability in that stakeholder input process. We have clear goals and objectives meeting reliability, environmental leadership, and competitive rates. Our assumptions are developed by our in-house staff here, for the most part. And our load forecast is developed in-house, so we will be describing details of that in the guidelines -- in the response to the guidelines.

We develop strategy case alternatives which are developed with the help of the IRP Advisory Committee. The key assumptions are approved by our management internally here, and we document those high-level key assumptions in our IRP. We also do a resource adequacy and reliability analysis on each one of the cases that we consider to make sure that we can meet our peak load demands. We do computer in-house modeling of the cases, and I'll show you some of the results of that modeling.

We present the preliminary findings in a public

outreach effort. So we've targeted disadvantaged communities primarily, and presenting the results to them, getting public feedback on our preliminary recommended case. Then we make a recommendation of the preferred case, and then we publish our IRP, which is approved by our general manager.

Next slide please. Next slide please. Hello?

MS. RAITT: Hi. I moved it to the slide that says "Major IRP elements." Is that not the one you wanted?

MR. BARNER: The next -- the one after that. Yeah, that's it.

MS. RAITT: Sorry.

MR. BARNER: I'm just not seeing it on my end here. Okay.

So we've reduced -- the major elements of the IRP are to reduce greenhouse gas emissions by 40 percent statewide by 2030. We have a more aspirational goal for our RPS which is 55 percent by 2030 and 65 percent by 2036, which exceeds SB 350 requirements. We recognize achieving the doubling of energy efficiency savings in our IRP currently considers 15 percent energy efficiency savings. And we think that might be something closer to 20 percent, so we'll have to analyze that in future IRPs.

The energy project investments, we make investments in storage, 154 megawatts currently, we have

planned, and 404 megawatts of energy storage in the future. We have a distributed energy resources program that we're trying to coordinate better, and replacement of our OTC generating units.

We also have a Power System Reliability Program which shows the investments necessary to replace our aging infrastructure. And we have a Transportation Electrification Program.

Next slide please.

So this is the build-out of our renewables portfolio. You can see the red line is our SB 350 targets up to 2030. And then beyond that, we've just extended that going up to 65 percent by 2036. So we have put on about 3,500 megawatts of solar in this scenario here. As you can see, it's a well-diversified portfolio. We think that's important for minimizing overgeneration on our system, and also providing enough reliability so we can guarantee those resources will be available if we have weather activity in various parts of our territory.

Next slide please.

Resource adequacy. So this would be responding to the capacity table that's mentioned in the guidelines. This is based on a one-in-ten scenario, peak load scenario. What we show here is what we can count as dependable capacity in the evening time which would be when we need our net peak

load, so that's when the sun is, for the most part, no longer shining and the wind is there. And we have -- so you can see a small contribution from the renewables. The energy storage shown here is the 404 megawatts that we've approved for this recommended case. And this will help us provide more capacity from those renewables. And then we have a shortfall in the future, beginning in 2025, which we're monitoring and looking at various ways to satisfy that shortfall.

Next slide please.

The energy balance. This is the output from our modeling here. You can see energy efficiency and renewables is the predominant energy resource, buying energy for our customers load. We have large hydro that includes our Castaic Pumped Hydro Facility Plant. And you can see the energy storage up at the top is contributing some energy to our system.

Next slide please.

This is the inputs and outputs of our modeling here in a summary form for all of the major resources here. You can see the levelized cost for each one of these resources, what our modeling produces as far as the capacity factor, considering production cost modeling and looking at lowest cost deployment.

The peak load dependable capacity was the next

column, from 3:00 to 5:00 p.m., that's what we used to use in our dependable capacity. Now we've refined that and now we're looking at the net load dependable capacity, which is the last column. And that typically occurs between 7:00 p.m. and 9:00 p.m. And you can see the contribution from each one of those resources. And you can see that solar and wind provides very little dependable capacity during that time period. Therefore, we think that, you know, storage is a good solution for using that energy and providing that dependable capacity that we need in the evening time.

Next slide.

The electrical vehicle charging forecast. So we current use the CEC's IEPR forecast. We've compared that to other forecasts and we find that it's, you know, very reasonable figures. We have an aspirational goal of doubling that in the future, going to 580,000 EVs by 2030. So we rely heavily on the IEPR forecast, and I think we will continue to do so. We will provide, you know, details on any forecasting that we might do internally here as part of the response to the guidelines.

Next slide please.

So here we have the overgeneration forecast with energy storage. So for each one of the cases that we analyze we produce a forecast of what the overgeneration would be on our system, this is including our Castaic

facility, which is a very large pumped hydro facility. And this also includes the effects after we've implemented other energy storage, such as batteries and so forth.

Next slide please.

This is an example of our transmission upgrades. So we have described in fair detail our Barren Renewable Transmission Project, describing that. The second phase of that, we will be describing in the IRP, that's bringing that -- increasing that capacity south of our Haskell Canyon Switching Station. So we will be describing our higher-level transmission upgrades that are necessary to bring more renewables into our system.

Next slide please.

The DER integration, we have a study that we've just recently completed to look at the best strategy for phasing in these measures and turning off old locations on our distribution grid so we can reduce our congestion and extract the most value of these resources. These provide additional system flexibility if properly deployed, controlled to managed. We can potentially defer system upgrades on our distribution system and promote renewable integration.

The next slide is our energy storage plan for 50 percent RPS. So this is the 154 megawatts that we had previously planned. In this last IRP, we have 404

megawatts, which adds additional energy storage, that's battery and compressed air energy storage. This provides dependable capacity for our renewables, maximizes the use of our transmission resources, and it provides regulating reserves to keep gas-fired generation to a minimum on our system to reduce our emissions and maintain voltage and frequency on our system at the same time. It also provides ramping support in the late evening time.

Next slide.

The GHG emissions forecast here, we produce this every year. You can see that the 1990 levels at the top, the dashed line, we were at 17.9 million metric tons. By this year, or by the latest, next year we expect to be 40 percent below the 1990 levels. And going out into the future, by 2030, we'll certainly be closer to 65 percent below, is our estimate. And we picked the 65 percent RPS case. As you can see, the red line is our 50 percent case that we had previously in our IRP. The 65 percent showed a downward trajectory for the greenhouse gas emissions, and that was one of the reasons why we picked a 65 percent RPS.

The gray line, you can see, that line represents, if we had done no further renewable or clean energy programs in the future, that's what our emissions would have looked like. And that just considers our coal replacement.

Next slide is our rate forecast. This is what we

produce every year for our customers to show them what the impacts of the various programs and the mandates that we have to follow, and what the impact on their rates would be. The top line is the rate without preferred electrification, so that would be if we can double the IEPR forecast, we can reduce our rates from the additional revenue that the electrification provides, and we can be in that lower green line there that you can see at that level. If we don't achieve the doubling of the IEPR forecast, then it would be that higher dotted line.

You can see in the RPS section, local solar is -- it continues to be one of the predominant parts that impacts on our rates going forward. So we have to be very careful how we design our local solar programs to make those cost effective.

And with that, that completes my presentation. I will save my comments for the following discussion. But we do have some concerns, but they're relatively minor.

Thank you.

CHAIR WEISENMILLER: Thank you. Thank you for the presentation. I was going to say, actually really appreciated the opportunity to work closely with LADWP on the Aliso Canyon analysis. I think we've, over the last couple of years, developed a very strong partnership in that area. Obviously, it's not over yet. But anyway, I'll

continue going forward.

One of the things that came up in the conversation we had on Aliso Canyon was the proverbial once-through cooling issue. I was just wondering, I understand you're doing some degree of analysis on the repowering options on once-through cooling, is that part of the IRP or a special study or just -- how is that being addressed?

MR. BARNER: It's part of a special study.

CHAIR WEISENMILLER: Okay.

MR. BARNER: The results of that study might impact what we plan in our IRP, so we're going that outside of the IRP process.

CHAIR WEISENMILLER: Okay. Another question, and I'll confess, I haven't totally digested it, but I got -- I recently received a letter from the Pro Tem. And the letter points out that with the production tax credit, the investment tax credit, there are a number of incentives which expire between now and 2020 or 2022. And so he was wondering what I was doing to encourage you to buy -- and, obviously, he also have pending legislation to up the targets or move the targets upward and, you know, trying to figure out ways of encouraging me to encourage you to buy more renewables fast.

And so wondering, does the production -- those subsidies enter at all into your thinking? Or again,

assuming that eventually I send something out, passing on his comments, you know, what can be done to sort of capture the benefits of those subsidies for Californians at this stage?

MR. BARNER: Yes. Yes, absolutely, we consider those subsidies. Those are very important to us, and that's why we enter into PPA agreements, so we can take advantage of the tax credits.

The current transmission system is relatively saturated at this point. The upgrade that mentioned, the Barren Ridge upgrade, the south-of-Haskell portion needs to be upgraded. We expect that to be completed, I think in 2020 or 2021. That will then allow us to further increase our renewables from that area in the state where we currently have a lot of our renewables.

We also have to put some energy storage to make sure that we can integrate that into our system and provide the support on our transmission grid. We also have some plans for upgrading our power import from the east on our transmission system. So once those go through we will be purchasing more renewable energy, as well.

We also have the STS upgrade that's going on. That will happen in 2025. That might not take advantage of the production costs tax credits and the investment tax credits, but it will allow us to bring more renewables into

our system.

CHAIR WEISENMILLER: Thank you. Let me -- well, I'll ask one for Andrew, then.

On the proverbial doubling of energy efficiency, which we're struggling with, what's your current thinking or activities in that area?

MR. BARNER: Well, our plan is 15 percent energy efficiency. We're still discussing that internally, how we would do that and increase, you know, the participation in electrification on the commercial/industry side. We do a potential study every year -- every three years, excuse me. We're just finishing one up, and I think it will be in the next IRP, the results of that, so that will help us maybe get a better idea of how we can help achieve that within our territory.

COMMISSIONER MCALLISTER: I wasn't going to take the bait, but I guess I will. Actually, I don't want to ask about efficiency.

I wanted to ask about demand response and kind of what you're doing along those lines? You know, we had the En Banc with the PUC the other day and that was one issue that was discussed briefly, but, you know, I think that was in a somewhat different context.

So I guess, you know, given that you have a pretty wide diversity of commercial and you have some manufacturing

and, you know, to the extent there's some industrial, you serve a good chunk of it, I guess I'm wondering what -- how demand response is likely to play into your IRP process, and maybe just more generally, you know, what your success and kind of future plans for demand response are?

MR. BARNER: Well, so far we've been meeting our targets. We did implement demand response this last summer with Aliso Canyon to test that out. And we got more demand response than we expected from our customers, so that was a good sign. That program is continuing to build out. And we hope to achieve 500 megawatts of demand response, which is a very high level relative for a utility our size. And that will be, I believe, in the 2025 time frame, that we'll hit that 500, and we have a build-out up to that point. So we do have an active DER program going forward, and we found it to be very cost effective, and we've had good success so far.

COMMISSIONER MCALLISTER: Is that mostly sort of, you know, emergency related, you know, contingency curtailable kind of demand response, manual, or is that -- I mean, I guess, you know, ideally we need to move as a state more towards automated demand response and, you know, sort of putting it in the background and using the cloud to our advantage.

What are your plans to do sort of more DR 2.0,

3.0, along those lines?

MR. BARNER: Well, I don't have a lot of interaction with that program at the moment. But I believe it's not fully automated. I know that, you know, there's the plans to automate that more. But at the present time we found that we can get by without a problem by sending out notifications, you know, a few hours ahead of time. We usually know when our peak load is going to occur or when a heat wave is coming, so we have some advance, you know, idea of when we will need that. And so we send out notifications out to our customers, and they have been responding to that quite successfully.

So we're happy with what it's doing so far. I think there is more work we can do on the automation side, though.

COMMISSIONER MCALLISTER: And then finally, I guess, to what extent are you building all of that into the rates in terms of maybe just sort of time-of-use rates generally, but sort of building in those sorts of terms into your rate contracts with, you know, larger customers?

MR. BARNER: We do have rates set up for the demand response, specifically for that. We have an XRT rate that we've been using for a number of years, and we're using that for the Demand Response Program. It is built into the rates. I should say that the DR Program has been very cost

effective, so it doesn't have a huge impact on our rates.

COMMISSIONER MCALLISTER: Great. Thanks.

CHAIR WEISENMILLER: Thank you.

So our next panel?

MS. RAITT: We'll have some places up for our panelists up that the tables, so go ahead and get that set up. We'll have a panel discussion with the POUs on the draft guidelines. People are just getting their seats. And Kevin Barker from the Energy Commission is the moderator.

MR. BARKER: All right. Thanks everyone. We're on to the panel to discuss the actual guidelines that were released on May 15th. We have some of the similar players that we've had in the past. But then I'd also like to let you know that we do have Turlock Irrigation District that will be commenting remotely via WebEx. They come as part of the 16. They're their own balancing authority, so I think they'll have also a pretty unique perspective on how they do IRP planning.

So one thing I'd like to maybe do, which is counter to conventional wisdom, which is you do the bad stuff first and then you get to the good stuff. I'd like to maybe start with the good stuff, what you think we, as Staff, got right. And then we can maybe dive more into the details of, you know, other kind of comments.

So, Tanya, do you mind letting us know what we did

well?

MS. DERIVI: Happy to do so, as the only lady on the panel, as well.

We will start out with our overarching things we would like to thank the Energy Commission for. And then we'll also intersperse that throughout our presentation, as well, amongst the joint utilities represented on this panel.

I wanted to thank Staff for responding to a number of our concerns that we had filed several weeks now, I believe it was. We had an exchange of 40-page documents between the proposed guidelines from Staff, and then our nearly 40 pages of comments in response to those proposed guidelines.

I also wanted to thank our respective IRP staffers, plus our GHG staffers, our regulatory staffers. There are literally dozens of people that we consulted with across our 16 IRP POUs, which was no small feat between SCCPA and NCPA, SMUD, and CMUA, as well. So we wanted to thank especially by staff folks, calling in and listening in from Southern California, for all the work we asked them to do, including through the weekends, to get a robust set of comments back on the proposed guidelines, and forthcoming comments back on now the draft guidelines.

I wanted to thank the Energy Commission for adjusting the IRP timeline from the four years that had been

proposed back to the statutory requirement of five years. We felt this was important to do because we have a number of internal processes that each of our utilities have to go through as far as local governing boards go. Some could be able to get it done in four years. Others would prefer to do it in five-year chunks.

As far as some of our utilities go, they're very big. Some of them have their local governing boards or their city councils, and they don't just handle utility issues. They have a number of other things across the city to handle, as well. There's also the stakeholder consultation process which is fairly robust, especially for cities like Pasadena, for example. That has been pointed to as an example. They actually have movie viewings to go over their IRP, and filled a movie theater in Pasadena to explain to their local communities what the IRP was and to solicit stakeholder comments, complete with popcorn.

So things like that are important for local governments. We also need to make sure that Staff has enough time to compile and do the IRP process, management has enough time to review and provide direction. Local governing boards are part of the process, as well as mayors, city councils, outside stakeholders, ratepayer advocates, and everyone else involved in local government planning. So four to five years was an important change for us and we

appreciate that recognition.

We also appreciate the softening to a more fluid and iterative process so we could try to avoid an appeals process to begin with. I think it would be much more helpful on the front end and throughout the process, that we could have an open dialogue with the Energy Commission on things, especially during the first IRP. Since this is new for both the Energy Commission, as well as the 16 IRP POUs, we wanted to make sure that we tried to get it right from the get go, rather than trying to go through a formal process on the back end as far as appeal process goes.

Transportation electrification, we realize that there were two different workshops, and that the comment deadline for that workshop had been merged and then deferred, so that didn't necessarily provide the opportunity to incorporate our comments into the draft guidelines, since they came out before. We fully understand that this is going to be an extremely important component as far as reaching the 2030 emissions reduction goals that our IRPs are supposed to address for these 16 POUs. And we did file comments. Thank you to Jonathan Chingas (phonetic) for shepherding that effort on behalf of the joint POUs.

I wanted to recognize and appreciate, to the extent possible, the guidelines, in the draft guidelines that came out. We'll be submitting more robust comments by

June 15th on that one. But just wanted to recognize that transportation electrification for utilities is highly variable. It depends on each utility. We have some highly urbanized areas, like Burbanks and Glendales and Pasadenas. We also have highly urbanized areas that have almost no people living in them. Vernon, for example, would be an example, who barely has 100 people living in the smallest incorporated city in California.

We also have a very large Irrigation District in Southern California which is predominantly rural and agricultural, so there's different unique, special considerations for Imperial Irrigation District. So the need for flexibility and the ability to submit information and narratives to the extent possible we think is very important for transportation electrification.

Our comments on the two prior workshops or light-duty and medium- to heavy-duty vehicles also raised a concern on EV sales forecasts. We weren't sure that the utilities were the most appropriate means to get to that information. So we have been discussing, do we work with local car dealerships, do we work with auto manufacturers, or how would that be most conveniently and easily gathered for the purposes of addressing it in an IRP?

Same sort of holds true with forecasting load on that front, as well. And we also wanted to thank the Energy

Commission for the requested CEC working with the ARB to come up with a GHG emissions calculator that we could use, kind of heading towards a standardized assumption. And then also giving the Air Resources Board staff some comfort that it was possible to do and potentially can be recognized as part of a cap and trade program. And so we'll have more comments to share on that one going forward, but wanted to recognize the efforts, both in sending a draft around for us to review, and then trying to work towards finalizing that one and still soliciting comments and explanations on that, as well.

As far as the association rule goal, we appreciate the reference to that in the draft guidelines. We're still trying to figure out how we could best potentially utilize that one, since we do have very different POUs represented across the state who need to file IRPs. So we're trying to figure out how we could best jointly maybe file elements or components of an IRP, but we haven't yet fully figured that one out. But to the extent that SCCPA and NCPA or CMUA can help our utilities in that regard, we certainly appreciate the flexibility and offer to do so.

Lastly, which we hope is going to be an easy fix for the Energy Commission, was on the 30 days to notice substantive changes to IRP guidelines going forward. We understand that ten days is already written out in statute.

But given the importance of integrated resource plans and the amount of work it takes to get one done for each of our utilities, we would really appreciate if the Energy Commission would consider giving at least 30-day's notice so that we can participate in that process on substantive revisions to the IRP guidelines.

That is my share from the get go. We'll switch it over to NCPA then.

MR. BARKER: So first, I'd just like to note that we do have our counsel and legal, that if you'd like for them to respond to any comments and to provide clarification, we have them available here.

But go ahead.

CHAIR WEISENMILLER: That sounds good. Actually, I was going to say, if they want to come up and sit to the left there, there's spaces. Come on up, so we can get a robust dialogue.

MR. BARKER: Go ahead, Scott.

MR. TOMASHEFSKY: Thank you. Thank you, and good morning. I'll keep it to the general positive tone, and then keep it more on neutral tones, so we're not on the negative side of a -- more for -- more for continued dialogue. And I --

CHAIR WEISENMILLER: So Tim's lined up for the heavy?

MR. TOMASHEFSKY: Pretty much. And Justin will really --

MR. BARKER: Justin is.

MR. TOMASHEFSKY: Yeah. So please be gentle on him.

I do, I think as a starting point, I think, although the accolades in terms of dealing with partnering, as the agencies always talk about the fact that you guys coordinate quite well within the agencies, we do that fairly significantly within the things that we're doing in the public power community. So you'll see a lot more of these sort of coordinated responses, but there's a lot of conversations that go on beyond this.

I also do want to express appreciation for how we do have some very robust interactions with the staff here. We do with the Commissioners, as well, which you all know that. That's paramount to where we are today.

And so when you start to look at the guidelines and what they're here to accomplish, it really isn't a matter of whether we like it or not; the objective of what it's supposed to do is really the most important thing. And so the idea is trying to strike that balance so it works well for purposes of the macro planning that you have to do when you look at where the state is going down its path, and then the information that we are able to provide into that

construct. So we quibble with certain aspects of it, but the general direction is really most the important thing. And I think that dialogue has been productive through all of this.

So with that in mind, one thing that's important for us to build into the document, at least the way we've looked at this is, is that we generally in the trenches understand what the purpose of the guidelines are. The agency understands in the trenches what you're trying to accomplish. But there's a lot of stakeholders that aren't involved in this. And it's very similar to when you put a table to data out in a study and then there's no footnotes, and then someone takes that table and it all of a sudden has a life of its own.

The aspect of the guidelines and what it's supposed to do, it really is a framework to give us guidance as to how to best address the IRPs, and we take a lot of that into consideration. There's other things we'll do, and you've had that from the Palo Alto and the LADWP experience. But when third parties look at this, they have to understand the distinction between what this is intended to do.

And so on the front end of this document, it just needs a little more context for what it is and what it's not. Not to say it changes the basic direction of what's in

the document, but it just needs that up front. The Commission has its obligations under section -- you know, under SB 350. The public power utilities have their obligations under 350. But here's what it does and here's what it doesn't, so I think that's just very important. This is a tool for everyone, and it's a tool for us to focus our interests. It's also a tool for you to get the macro perspective on things that may or may not be working towards getting to the 2030 target. So that's something we can work through.

In terms of stakeholder participation, one thing that's really important to emphasize is that if we're going our jobs properly, which I would argue we are, the need for the guidelines in its purest sense isn't really there, because we will be dealing with all of the things that are in there. The question then becomes, how do we address 9622 in how the information that you need governs what you have to do for your evaluation? So the connection between what's being asked and what we do is really tied to stakeholder input at the local level.

So our objective is to not have as much of a detailed conversation on the mechanics of all that's in the IRP. All of that stuff should be happening along the way. By the time we get you something, it should be fairly well baked out. To the extent it's not, that's where you start

to transition into the IEPR aspect of what you do, so the IRP is for us to figure out these various planning things, how it all fits in. We get stakeholder process. We get work with the staff here. We work with the Commission. When there's outstanding questions, it sort of feeds into that, now that you've given me this information, you're looking for us to help you kind of make sense of it in terms of the macro perspective.

So looking at the flow of information between what we do at the local level with robust discussions at the local level then feeds into the process that you use to look at the true valuation, so there's that connection. So it really is a local-level perspective, and all this stuff fits in well with that. It becomes a question of, well, do you need forms or whatnot? But the basic objectives of 350 get fed into it. Guidelines is just helpful for us to kind of shape some of what we do.

In terms of the submission schedule, the notion of having data that's not too un-fresh, so that you're looking at something that's not more than 24 months old, that's certainly not an unreasonable thing to do. It also is consistent with the fact that some of us do IRPs more than once every five years. So it's not to say that this becomes the only benchmark for how we do resource planning. We're constantly talking about resource planning as we go forward.

With the demand forecast and how that fits in, the fact that there's information that gets fed into the IEPR, some of the things that we do sort of get lost in the planning area aspect of the demand forecast the Commission uses. And we have to be careful that those things don't just get absorbed and then get lost, because there are some things that come out of that that could be helpful. I think Commission McAllister kind of was going down the path a little bit in terms of the water pilot that Palo Alto is using. The extent that there are certain micro things that come out of IRPs that can be helpful for macro purposes, you don't want to have those things lost in the translation, so a couple of things to think about there.

With respect to noticing, going back to the local aspect of stakeholder participation, certainly willing to figure out the best way to make that information available to the extent -- like Monica had mentioned, they have their June 7th initial workshop to deal with the IRP -- to the extent that there's ways to make that information available through the Commission website or some other variation so that you have stakeholders that know when things are publicly being deliberated, that's a helpful thing. You know, when we deal with 1568 efforts, there are some aspects there that might be helpful to bring into that conversation, but us to be a resource to be able to provide information,

but to still direct much of the discussion, to be able to hold discussion. I think that's very important.

A couple -- one other thing, in terms of the -- I'll close on the discussion on the deficiency review, because that's -- and, Justin, I'll give you more of the stuff you can throw things at, but I'll give you sort of the higher-level perspective on looking at deficiency in terms of how that could or couldn't be interpreted. And this goes back to what I sort of alluded to before, it's the relationship between the IRP and the IEPR. IRP is sort of where we kind of -- it's the grassroots aspect of resource planning, and we get involved and we provide this information. And now the information requires us to address provisions of 350 which the guidelines address.

So then you get into the situation of once we give this to you, how do you address that? Is it a question of deficiency or sufficiency? And those are two very different perspectives to look at, is that are you looking at the grading of what's in there?

And I go back to the analogy of when I was -- 35 years ago when I was in school, it was the UC Santa Cruz approach where it's pass/fail, whereas at every other school where it's you get graded on that. And so the notion of deficiency, saying it's data adequacy, very similar to what the Commission deals with in siting cases, is that there's

enough information to continue the dialogue. It may not have everything you want. But once you get past that initial wave of here's the IRP, we think it's not deficient, then you're going to have that additional conversation in terms of how does that meet state policy going forward? That becomes and IEPR question.

And so you want to make sure that you don't get bogged down in not getting past the IRP process, to the detriment of dealing with statewide planning. And that's sort of that balance between the two. And I think we sort of share those concerns, is that it's okay to provide that information, but to the extent that you have those extra questions, those are things that can clearly be answered in a continuing dialogue as it gets into your biannual planning process.

That's basically it. I'm going to turn it over back Kevin for a second on that. I appreciate the opportunity to give some thoughts on that.

MR. BARKER: I guess one thing I'd like to ask of you guys is this, you referred to the EPS process, the Emissions Performance Standard process of notification, were you guys work with the locals. I'd like to see what you envision for this? Because I can assume it's similar but it may be different. And so it would be nice to see something actually formally of what you -- how we can actually help

push it to the local level and not keep it here because, as you can imagine, other folks are also strapped for resources. And so you can have your NRDCs of the world that don't want to go litigate and fight at 16 different POUs and want to try and just come to the Energy Commission when you have those. And so to have a process would be nice to see.

MR. TOMASHEFSKY: Yeah. Let me respond to that.

From the standpoint of the mechanics of it, in the EPS environment, they're in direct -- they're in regulation, so there are regulations that say here's what we have to do, we've got a certain amount of time. I think there's a way to do that informally. So when you're talking about guidelines, I'm not suggesting that all of a sudden becomes a regulation.

Having said that, there's also the -- to your second question, when you start to look at what someone may say, they say, well, I don't want to go to 16 different places, well, if they want to get into the details of what resource planning and how communities are looking at it and how community involvement is, they really have to, to some level.

To the extent that they don't want to and it's a matter of looking at state policy and how that might impact state policy, I think that becomes an appropriate follow-up to having those additional dialogues, again, through the

IEPR. So it's the macro-micro aspect of it. The micro aspect is really important to have at the local level. And once you take it away from that, you're losing the value of the councils, the advisory commissions. You're losing the adjusted reasonable rate aspect of it, which is clearly a local government's decision-making aspect of it, and you have to have that to be part of that dialogue. If you don't have that at the local level, you're only getting a half read on that. You get to this point, then it's, okay, well, how does that impact the state reaching its 2030 targets? That's the very appropriate question. So a little bit different.

But I do think the mechanics of how it works in the EPS, short of having it as a regulation, I think we can kind of work through that. I think we just have to think about how to best address that.

CHAIR WEISENMILLER: But again, in an EPS context, when we had that case, unfortunately, the munis and the Sierra Club and NRDC could not agree on anything, was sort of the common -- the way it kept playing out. And we ultimately went through something that at least would give them a guide point that if LADWP was making an investment, they wanted to challenge when it was coming up. Again, we were not trying to get in the middle of that at that stage but at least telling them on, you know, July 25th, show up

at LADWP, you know?

And we may need something like that again for the Sierra Club's, NRDC's or Greenlining's convenience on your IRP processes.

MR. TOMASHEFSKY: Yeah. And I think you can address that, certainly within webcast and noticing perspectives. It just becomes a question of how formalized it has to be. But it's certainly -- I mean, we have a precedent to deal with that, which works.

MR. BARKER: Okay. Before we get to Justin, let's turn it over to Tim for SMUD's take, as well as you guys also run a balancing authority, as well, so go ahead.

MR. TUTT: Yes. Thanks, Kevin.

So I was going to go further down the list of aspects of the guidelines that we think you guys got pretty much right and that are acceptable to us in many ways. So one example of that is the renewable portfolio standard segment. The 50 percent RPS is called out in SB 350. So, of course, some recognition of including that and how we get to that and meet that in the IRP is wholly appropriate.

We do appreciate that the RPS is complicated and it includes more than just 50 percent. It includes a bunch of other balancing requirements and so on. We appreciate that those aren't included in the overall table, we felt they didn't belong there, but will be covered in the RPS

procurement plans that are also required by SB 350 and are included in the guidelines.

And we appreciate the fact that the staff recognized that the IRP doesn't require any change in the timing of RPS procurement plans, it's just we has to provide the most current one. We all expect we'll be redoing our RPS procurement plans, if we haven't already, because most of them did them when the RPS was at 33 percent, and it's now at 50 percent. So we're going to have to react to that and produce a new RPS procurement plan in the new future, if we haven't already.

We also think that, of course, energy efficiency is very important in the state and is called out in the law and in the guidelines. We do appreciate that concept that it's to the extent that we rely on energy efficiency. Energy efficiency is one of those things, as you know, Commissioner McAllister, where there has to be a lot of interaction with our customers. And it's not exactly clear what our customers will accept or -- and take action on. So it's not necessarily -- it may not be appropriate in an IRP where we're trying to understand, primarily, reliability and achieving -- addressing covering load to rely on energy efficiency programs that were not -- that are hypothetical and that we're not certain of the impacts of.

So even though we are looking at doubling

statewide targets, and there's a question of feasibility and cost effectiveness as we get down -- effectiveness as we get down to the local level, in the IRPs, we may be talking about a variety of new energy efficiency programs and ways of contributing to those targets. But we wouldn't necessarily be saying IRP doubles our energy efficiency savings because that's the goal or a target. We'd have to reflect feasibility in the IRP process.

We also think, of course, that there's -- it's important to cover the question of impacts on disadvantaged communities and local communities that are disadvantaged. You know, the state has gone through a long process to develop a definition of disadvantaged communities that is widely used now. We're disparate and fairly, you know, unique POU service territories. So we certainly would like the flexibility to not just talk about the disadvantaged communities as it's defined on a statewide basis, but look at our own issues of local low-income and local areas where there are ratepayers, customers, that we do feel like we need to pay attention to and make sure that they aren't being impacted inappropriately.

I would note that the SMUD Board recently had an environmental justice panel that came out and presented to the Board. And, you know, there was a lot of good dialogue from the panel. And as a result, you know, SMUD staff is

looking at what we are doing on environmental justice already and what we may be able to do more in the future as we look and focus our examination on that aspect of our service territory.

And then finally, I don't know if you've seen it, but I'll call your attention to the California Utilities letter to the governor and the legislature about cap and trade. One of the three principals that was called out in that letter is really looking at taking advantage of the criteria pollutant reductions that will come from the cap and trade program, and focusing on additional efforts that we would -- to address the concerns of environmental justice communities.

And I think that's what I have.

MR. BARKER: Great. Thanks a lot, Tim.

I guess for Commissioners, I'd like to note that although we did get the guidelines out on May 15th, what we did hold back were the forms and instructions on how folks would actually fill out parts of the IRP. And so we got that out yesterday, so that has actually been publicly sent around or posted. And we plan to have a webinar on May 31st to go over that with interested parties.

So do you mind if I turn to Dan, or do you want to go first?

MR. WYNNE: Yeah.

MR. BARKER: Okay. Go ahead, Justin. Justin, go for it.

MR. WYNNE: So I'll go to the negative stuff.

MR. BARKER: I think that's it, Justin.

MR. WYNNE: So first I'd just like to echo what everyone's said so far. We do really appreciate the changes that have been made by Staff. We think that they've gone a long way towards what we've been looking for. And then more broadly, on the changes we do want to discuss, in general I don't think it's about the information that's being requested. Sometimes it's the way it's being characterized or sometimes it's on process issues. So I think overall, we're generally comfortable with the information that's being requested in the draft guidelines.

The first one, I think Scott already did a really good job on this issue of the scope of the deficiency review. And I think specifically, one of the things, when we're looking at the draft guidelines there appears to be a significant amount of information that goes beyond what would be minimally necessary for the CEC's deficiency review. We understand, given the CEC's role on setting policy and collecting data, we think that that's appropriate. We understand the purpose behind that. But then the question becomes, since there's so much information requested in this and there is this stage where the CEC will

be doing this deficiency review, it raises questions on our end, what extent that review will go through the information and what that will apply to?

And so I think one of the things that we've heard in our discussions is that if there was a statement, and I think we could propose something that just is clarifying, that for purposes of the deficiency review, it's limited to the specific requirements in section 9621. And that if a POU is providing significantly more information on a specific program, that's not necessarily an opportunity where the CEC is going to go in and attack different aspects of that. So I think that just adhering to the specific requirements of the statute for purposes of the deficiency review is what we would be looking for. And I think we plan to propose something in our comments.

CHAIR WEISENMILLER: Keep going, and then I'll have my attorneys respond. I know at some stage we'll have that conversation and dialogue. Again, obviously, keep in mind that from the legislative perspective, particularly when you hold up our requirements vis-a-vis the PUC requirements, we're seen as coddling you. So trying to encourage you not to get us deeper in that box with the legislature. Obviously, we have not gotten to the stage you're suggesting. Maybe the -- you know, you can go to the PUC for the next stage. But anyway, understand, we have a

much different role.

MR. WYNNE: Thank you.

The next topic is fairly complicated, but it's the overgeneration, and then the integration, more generally, is mentioned both in the Energy Storage section, and it's also mentioned under the Flexibility section. And I think we all agree that the integration challenges are a significant issue, and that it is appropriate to include information related to overgeneration and integration within the IRPs, and also have a broader discussion about POU resources and POU procurement and how that factors into the statewide resolution of these challenges.

I think the concern we have is that when we look at the actual language, it is focusing on the role of the individual POU, both in measuring overgeneration and in resolving overgeneration, that I don't think fits with the actual requirements. If you're looking at a POU as a utility, as opposed to a balancing authority, there are other obligations.

I think specifically in the Energy Storage section, it talks about addressing the suitability of storage to resolve overgeneration from the utility's portfolio. And in the Flexibility section, it's talking about demonstrating that there's enough flexible dispatchable resources to address any potential

overgeneration and meet ramping needs, and also estimates of potential overgeneration.

And so, first, I think that the reliability aspects are an obligation that, under the NERC Standards, is something that would apply generally to balancing authorities. And so there are already requirements, both that the ISO has, and then the individual balancing authorities, they take actions to address the potential reliability consequences of overgeneration or ramping. And I think the ISO already has requirements, like flexible capacity requirements and things that would address this. And the POUs that are with it, and the ISO, would already be contributing towards those requirements.

The balancing authorities, the POU balancing authorities, many of them have very different system circumstances than what the ISO has, and so they don't necessarily face the same overgeneration problems because of where they are located or their resource mix. And so they don't necessarily have the same level of challenge that the ISO balancing authority faces.

For an individual POU, they might have resources that would be spread out over multiple different balancing authorities, they might be located in different states. And so for them the idea of measuring what overgeneration in a particular hour is for their portfolio might not be

something that could even be measured or something that would make sense, just conceptually of what overgeneration means for their service territory, as opposed to their resources that may be within the ISO.

And it's also something where a lot of POUs -- under the contract structure, you know, if they're procuring from a renewable resource, they might not have the ability actually ramp down or change the operations because they might not be the scheduling coordinator for that resource. And so they have a limited ability to respond to this.

And I think in the context of a utility as a utility, the primary impacts would be financial. And so there would be the consequences from curtailment or negative pricing. And what the POU may be doing, specifically for like storage or some of these flexibility issues, they may be taking actions to hedge against the financial impacts, but they might -- the wouldn't be resolving the problem of overgeneration within their service territory.

And so I think we agree that this needs to be discussed and it should be included. And I think we could provide language that would recommend just rephrasing it so we're accurately capturing what the role of the utility is regarding the overgeneration and what they actually can do towards -- what the actual -- of what they're doing in regards to the statewide challenge.

And I also think just that -- I think the concern is that we wouldn't want there to be a perception where you're just taking the statewide problem and apportioning that and just assigning a certain share of that to the individual utilities, because that's not necessarily their role or how they would plan for this.

CHAIR WEISENMILLER: Well, that's a good discussion. I think fundamentally, what we're trying to get to is for the POUs that are balancing authorities, are they -- what are they -- what are they doing in thinking through in this area, to the extent it hits them? Now, obviously, for the POUs that are in the ISO, I assume the answer is going to be short.

MR. WYNNE: So that actually might -- well, I'd like for our counsel to respond. But with that question, should we actually ask Dan that, since you --

MR. BARKER: And I think that's something that the TID had teed up. So, yeah, I don't know if -- I don't know how the WebEx is set up, if you can just --

MR. SEVERSON: Sure. I can --

MR. BARKER: Go ahead, Dan, please answer the -- yeah.

MR. SEVERSON: Can you guys hear me?

MR. BARKER: Yes. Go ahead.

MR. SEVERSON: Appreciate the invite.

And you know, to that question specifically, TID as a BA, you know, based on the fact of where we're located, sure, the sun shines here. The wind doesn't necessarily blow in our BA. And we're not necessarily well situated as a site as far as a balancing authority to integrate -- or, I'm sorry, to site renewables. Really, the irradiation is much better in the southern part of the CalISO for solar and wind along the Tehachapis and other areas. So we really haven't experienced the need to really address overgeneration.

Now there are times during the year, we have quite a bit of large hydro. There are times in the springtime when loads are low and the runoff happens where we do run into, you know, the occasional issue. You know, we are very well resourced as a BA.

So that's about it from our perspective as of right now.

MR. WYNNE: And I think, and if it would helpful, I think in our comments maybe we could try and gather some of that information from just the broader, since there's different BAs. And so -- and I think I'm familiar with some more than others as far as this specific issue. And so I want to be able to speak to all of them. And so I think we could gather that and present that, either in our comments or in discussions directly with Staff.

MR. BARKER: Okay. So on some of the issues that you raised, and maybe our other panelists raised, I don't know if our attorneys are willing and ready to --

MR. WYNNE: And I -- there -- we do --

MR. BARKER: -- provide comment?

MR. WYNNE: We do have a couple more --

MR. BARKER: Oh, sorry.

MR. WYNNE: -- points.

MR. BARKER: Go ahead.

MR. WYNNE: So my final point, it's on the portion of the guidebook that includes noncompliance. And so when -- and we've been having a lot of discussions among the attorneys. And so when we look specifically at 9621 and 9922, we don't see those provisions providing the concept of what noncompliance would be in terms of these guidelines. What we see is there's the deficiency finding. And so I think before we saw the guidelines, what our expectation was, was if a POU submitted an incomplete IRP or failed to submit an IRP, both which I think are extremely unlikely to happen, but that that would support a finding of deficiency. And so if a POU were to do that under 9622, that would support that finding.

And so I don't have a lot more to go on beyond that. But I think that just given the focus of the actual statutes that support this specific requirement, we viewed

it as an issue of deficiency as opposed to some concept of noncompliance. And I think it's also unclear to us what noncompliance means in this context and what the consequences of noncompliance in comparison to deficiency would be.

CHAIR WEISENMILLER: Okay. While you were thinking, I was going to ask if Turlock had any other comments?

MR. WYNNE: And then I'm done, so, yes, so Turlock can --

CHAIR WEISENMILLER: Turlock can. Also, IID has called in for public comment. That's probably more efficient to have them also --

MR. WYNNE: Okay.

CHAIR WEISENMILLER: -- weigh in at this moment. And then we'll transition over to the attorneys.

MR. WYNNE: Okay.

MR. BARKER: So, Dan, did you have any other comments that you'd like to make?

MR. SEVERSON: Sure. Sure.

MR. BARKER: Okay.

MR. SEVERSON: Can everybody hear me? Am I -- okay.

MR. BARKER: Yeah. Go for it.

MR. SEVERSON: Yeah. Generally, you know, we were

tasked -- you know, it all start off by echoing most of the other panelists in that, you know, we really appreciate Staff's attention to our joint comments and addressing some of the wholesale concerns that we had on a macro level, one of them being the softening of the language on the rate section. While we're appreciative, we think -- we do think there's a little ways to go there.

And then on the harmonization of the timelines, also very appreciative of our concerns there, you know?

And, Kevin, I know you -- as a follow-up to our -- to the last topic as far as overgeneration, you know, one thing where it does effect TID, we are a market participant. And we do have -- we just added a pretty large chunk of solar PPA in CalISO. And we are seeing the effects of overgenerating in that facility being curtailed. So on a financial side, it's definitely a concern. Whereas on the BA side, it really hasn't come to hit us yet.

Other -- so I guess I'll take the opportunity to introduce TID to you guys. I know we've said this in comments before, we are the first irrigation district. We were formed in 1887. We are located in the Central Valley. And while I can appreciate other stakeholders' cries for the lack of resources, you know, we definitely understand the ability to fight 16 fights. But, you know, the point that we would like to make on that issue is that this is

where those decisions are made and that we take into consideration the input of our ratepayers, who own us, when we make those decisions. And so this is where, you know, this is where the fight needs to happen.

And so out of the -- you know, to that extent, we serve 11 communities. We have just over 100,000 electric customers. And of those 11 communities, 7 are disadvantaged. And so I know there was some mention earlier of the IRP focusing on low income and disadvantaged community issues. While, you know, we generally support that, we don't want to proliferate policies that, you know, that harm the very communities that they're designed to protect.

And I will just generally say, in our process, in our IRP process, we focus on our strengths which, you know, in TID's case ties in with our TID -- or our board-adopted mission, which is reliable power, cheap rates, and a high level of customer satisfaction, while being good stewards of our abundant diversified power supply. You know, TID is very well resourced as part of our BA. And I know this is an issue for some of the other POUs in that, you know, we are vertically integrated, and we are generally well resourced. And so to the extent that state policies, while we definitely, you know, support the state's climate change and environmental goals, it's a big issue for us. And, you

know, especially the stranded asset aspect of, you know, what -- you know, we've issued bonds and built quite a bit of generation, you know, to support our balancing authority obligations.

Where else do I need to go? Okay.

As far as the rates, so some of our concerns on the rate part, while we appreciate the edits, you know, the people that pay those rates have plenty of opportunity to weigh in and to give us every kind of opinion on the justness and the reasonableness of it. And, you know, we'll be submitting clarifying language, you know, to clarify the limited -- the limitations on the Commission's ability, you know, to review our rate decisions. We need -- I think we need to clarify that. And we will be submitting those in joint comments.

CHAIR WEISENMILLER: I would note that in spite of a petition signed by 7,000 Sierra Club members, we did not suggest their suggestion to intervene on rate design at the PUC.

MR. SEVERSON: We very much appreciate that.

MR. BARKER: Was it just 7,000? I mean --

CHAIR WEISENMILLER: I lost count at some point, but anyway --

MR. SEVERSON: There's one section in the guidelines, a section after, there seems to be some sort of

a circular sentence that says,

"In addition, to the extent information is not included in the IRP filing, inputs, assumptions and methodologies must be provided as supporting information."

And, you know, we'll be addressing this in comments, but we would like clarity as to what the first information is in that sentence. That's -- it's fairly vague.

And then as far as the public process, you know, as many of the others have stated here today, we are public agencies. We go through, you know, a pretty extensive public process on all fronts, including the adoption of the IRP.

And, you know, while we have the attorneys there, I mean, we do understand the Commission's statutory requirement to publicly post Board-adopted reports and findings. I'll just -- what I'd like to point out here is that by the time you receive TID's IRP, it will be fully vetted and it will be the TID's Board determination that it's consistent with SB 350, and complete an accurate.

And so we disagree with the requirement to take public comment. And it's not because we're trying to be not transparent, but we just feel that it's a Commission and TID Board obligation to kind of agree like, okay, yeah, you know

what, you're right, it is complete and it's accurate, and it meets all the requirements of section 9621 and SB 350.

I'll just close with saying that, you know, POUs in general, we're a very diverse group. You're going to get some 600-page IRPs. You're going to get some minimal ones. And really, the point that we'd like to make is that it's up to our ratepayers and our governing board to determine what's appropriate.

I appreciate the time.

MR. BARKER: Thanks a lot, Dan.

So as I call Sean Neal, if you're in the room --

CHAIR WEISENMILLER: Please.

MR. BARKER: -- do you mind coming up to the --

CHAIR WEISENMILLER: Come up to the podium.

MR. BARKER: -- to the podium.

One thing maybe, Janna and Galen, as -- before he makes his remarks it would be nice if you could maybe talk about the -- a couple different things. This issue of determination of deficiency, what Justin refers to as section 9621, I'm looking at section 454.52, subparagraph C through H, as being things that have been identified that are required in the IRP, and so that being the req.

And then what is our current thinking with regard to reviewing of rates being just and reasonable?

MS. ROMERO: Okay. This is Jana Romero from the

Chief Counsel's Office. I will take a first stab at these things, and then Galen may jump in, as well.

Also, I'd like to invite Staff to help answer some of these questions, because to the extent that they're technical, they're probably the best ones to answer them. But I can lay out a little bit of sort of the framework.

So under 9622 of the Public Utilities Code the Energy Commission is required to review POU IRPs for consistency with 9621. We are looking at the requirements as all of the elements included. So, for example, on the items that are to be addressed under 9621(c)(1)(A) through (E), you know, there's not a particularly procurement requirement around those things, but they do have to be addressed. So to us, that is the requirement, that they be addressed.

You know, all of the elements in 9621 are the required elements that the CEC is looking at when reviewing the IRPs. And the staff proposal, which you all have reviewed, is what Staff feels it needs to be able to review for those required elements.

So, you know, we are here in a listening mode today to collect your comments and get your feedback on the guidelines. And to the extent that you disagree with Staff's interpretation of the statute or why a particular piece of data is required or not required, we are very

interested in hearing about those in your written comments, as well. And not all of the information is being required in the IRP itself. But some of that supporting information is required in the filing, pursuant to the language in 9622(c) that allows the Energy Commission to adopt guidelines to govern the submissions of information and data and reports needed to support our review of the IRPs. So that's where that IRP versus IRP filing distinction comes in.

So hopefully that is helpful on sort of a high level. And again, we're just very happy to review your written comments on, you know, the particular changes that you would like to see or particular interpretations that you disagree with from Staff's proposal.

MR. BARKER: Okay. Thank you. Thanks, Jana.

And so the rates keep coming up. I think we stuck to the statute in our guidelines.

And this might even be more of a question for Garry, but what do you envision with regard to reviewing those?

MR. O'NEILL-MARISCAL: So this is Garry.

So within the guidelines, we have included a brief discussion of just needing some sort of a report or something that shows that the POU has considered the impacts of the rate for their IRP, and something to show that they

have, quote unquote, minimized the impact of rates on their ratepayers, which would meet the requirements of 454.52.

MS. ROMERO: Yeah. I'll just add that, you know, regarding rates, you know, we recognize the sensitivity, we're not ignoring that. We're trying to balance that against shirking the Energy Commission's statutory responsibility to review for all the requirements of 9621, and the 454.52(C) through (H) requirements are part of that. So again, we're happy to review your comments on that matter.

MR. LAMEI: And I'll just say I really -- this is Galen speaking, Co-Counsel with Jana -- I really don't have anything to add to what Jana said. I think she really captured the staff's approach in the guidelines.

MR. BARKER: Okay. So let's move on to Sean.

What I would encourage, and I know we're getting a little bit close to running out of time, but I would just note, this is your actual time that you can, on the record, ask our counsel what they think about specific provisions. So I would actually encourage that maybe one or two points of clarification that you can actually ask them.

But let me first turn to Sean for IID's perspective.

MR. NEAL: Certainly. Chair Weisenmiller, Commissioners, thank you for the opportunity to speak today.

I was called in the context of the role as POUs as balancing authority areas.

CHAIR WEISENMILLER: Uh-huh.

MR. NEAL: And so I'm glad you raised that, because that was one of the points of reference I wanted to raise in the public comment section, so I'll touch on that. So on behalf of IID, I wanted to thank the CEC for the opportunity to comment.

IID supports the State RPS GHG Emission Reduction Goals, and very much appreciates the flexibility in response of the CEC and Staff during this process.

With regard to -- IID does want to emphasize and point out, and it wanted to explain what it anticipated pointing out in its IRP as it envisions it under the present guidelines. And the fact that, you know, as a balancing authority area, it has responsibilities and obligations to address, you know, imbalance and flexibility.

On the topic of addressing overgeneration, you know, as I am not -- do not know at this point exactly IID's strategy or, you know, specific approach to dealing with overgeneration, though I would say, like TID, IID is well resourced. Flexibility is a goal of IID. We recently installed a large-scale battery, I believe it's 30 megawatts, subject to check, but with room for expansion. And there's an article posted by APPA's Public Power Daily

last week that's available to explain its black start capability, which I believe is one of the first it the nation.

In addition, IID is interested in markets, in thinking of the overgeneration issue, markets for its generation within its territory. So outreach and being able to export power, you know, I think having that capacity syncs up with ways of addressing overgeneration.

So going back a little bit toward the comments I was going to approach later, but it has a correlation to the topics discussed here, IID acknowledges the important role of solar PV, wind resources and battery storage to meeting RPS and GHG reduction goals, very important resources. They each have their own advantages and challenges.

IID also believes it's important to account not only for those resources but for geothermal generation, both baseload. And it wants to emphasize fully dispatchable geothermal generation, which can facilitate the penetration of intermittent resources through the flexibility in assisting and maintaining system inertia, which was a topic discussed at the May 12th workshop here at the CEC regarding the need for flexible resources on the grid.

You know, implementation and development of such generation in IID's service territory, especially where it's likely to be -- you know, could be located in the Salton Sea

area. It could have a particularly beneficial effect in providing clean, green jobs to the area, especially an area impacted by health concerns, high incidents of asthma due to reduction in water levels of the Salton Sea. And it's high incidents of asthma to children in the area from the resulting exposure of dust and other pollutants.

So IID sees a significant role for dispatchable geothermal generation in meeting the planning goals set forth in its IRP.

And lastly, IID looks toward the discussion on transportation electrification and consideration of impacts. Mr. DeRivi, you know, discussed and alluded to the challenges and the consideration that IID needs to deal with in considering how as a rural agricultural community the market for transportation electrification and how that may differ from a more urbanized setting and how to account for that and meet, you know, or anticipate what the market will provide.

So with that, I thank you for the opportunity to comment.

CHAIR WEISENMILLER: We certainly thank you for being here. I think all of us are hoping that IID really shows how to develop cost effective geothermal and demonstrate the status to the rest of California. Obviously, go forward in that area.

Transportation electrification is hard for you in this rural area, but it's a key part of dealing with some of the air quality issues. So again, I don't know how you give that attention.

And I would note that, obviously, your battery is great. It came out of your settlement agreement with FERC, coming out of the outage. And the outage is certainly a clear reminder to all of -- was a clear reminder to all of us that we are all interconnected. So it's really important that balancing authorities deal with issues that will come forward now as we go to a more intermittent grid.

But anyway, thanks for being here.

MR. NEAL: Thank you.

MR. BARKER: So I'd like to open it up for -- if you had one question or clarification to ask our counsel, please feel free. Other than that, then I'll turn it over to the Commissioners. No?

CHAIR WEISENMILLER: Okay. Of course, they'd be happy to meet --

MR. BARKER: And --

CHAIR WEISENMILLER: -- our attorney later. But, you know --

MR. BARKER: Dan, were you jumping in?

CHAIR WEISENMILLER: -- for a really detailed discussion.

MR. SEVERSON: Yeah. I'd like to --

MR. BARKER: Okay.

MR. SEVERSON: -- the opportunity --

MR. BARKER: Go for it. There you go.

MR. SEVERSON: -- if I could.

There was some mention of a Commission statutory requirement. And granted, I am not too familiar with your statutory requirements to publicly post documents, reports.

Could you cite what the code is and what the requirement is specifically? Is it just Board-adopted --

CHAIR WEISENMILLER: No, no, no.

MR. SEVERSON: -- (indiscernible)?

CHAIR WEISENMILLER: Everything that's the basis for our decision is public. Now there is an opportunity to file material and ask for confidential status. But, you know, we were -- basically, this is -- the Warren-Alquist Act established us, and really built into that at that time by Charlie Warren, was this is a very political process, believe me. And so that certainly applies.

And one of our purposes is really to encourage public participation. We have a public adviser. Again, this presumption is here, generally, as if it's something we're basing our decision on is public. And again, there are opportunities for confidential treatment of material. But I personally have, for example, refused to participate

in the PUC Procurement Review Group because it's all confidential, and I'm not going to base my decisions on anything occurring in a confidential group.

MR. SEVERSON: I understand. As a public agency, we're aligned there, and we're subject to the Public Records Act, as well. And we just like to keep those conferences as local as possible. I appreciate it.

CHAIR WEISENMILLER: Well, I think what you're opining, certainly, I mean, the reality is that interveners will pursue issues when and where they can. You know, I think we always encourage, you know, relationship with the PUC, that we deal with the environmental part and they deal with some of the need parts. And certainly parties, you know, raise both environmental issues at the PUC and need issues here, and somehow we work that through.

So again, I would anticipate, you know, that you'll see some degree of creative interveners trying to raise issues in various forums. And all we can do is try to help facilitate their participation at a local level, so at least they don't have that excuse when they show up here.

MR. BARKER: Galen, did you have a follow up?

MR. SEVERSON: Certainly. Appreciate it.

MR. LEMEI: This is Galen again. I was just going to put out that the regulations that govern our confidentiality process are set forth and begin in section

25500, 2-5-5-0-0, of Title 20. And if you have questions about that process or would like to discuss, please do give us a call. We're happy to help with that.

MR. BARKER: Thank you.

MR. SEVERSON: Thank you.

MR. BARKER: I'd like to turn it over to Commissioners, if you have any questions of our publicly owned utility representatives.

CHAIR WEISENMILLER: I think I've covered things up until now.

But again, I would remind you that Senator de Leon is very interested in people taking advance of the PTC and ITC. I wish geothermal was not blessed with that, unfortunately. But take advantage of those subsidies while we can.

MR. BARKER: And just as a head's up for folks, the Chair is referencing a letter that was sent to him and President Picker, encouraging advanced procurement of renewables before any decision is made on the federal level for the tax credit, so -- and we received that two days ago.

With that, should be move to public comment?

CHAIR WEISENMILLER: Yes, please. Any public comment from anyone in the room? Anyone on the line?

MS. RAITT: No one on WebEx.

CHAIR WEISENMILLER: So this meeting is adjourned.

Again, thanks for being here and thanks for really -- as I say, this is important. This is important to get right, and so I appreciate your help working through the details.

(The meeting adjourned at 12:22 p.m.)

REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of June, 2017.

_____

Eduwiges Lastra
CER-915

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

MARTHA L. NELSON, CERT**367

June 13, 2017