

DOCKETED

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Valley Electric Association, Inc. Comments on Draft IRP Guidelines

Valley Electric Association, Inc's comments are attached.

Additional submitted attachment is included below.



Valley Electric Association, Inc.

A Touchstone Energy® Cooperative 

June 15, 2017

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket 17-IEPR-07 – Valley Electric Association, Inc., Comments on Integrated Resource Planning

Valley Electric Association, Inc. ("VEA") is a Nevada non-profit cooperative corporation without stock that provides retail electric service to members in its service area, primarily in Nevada. In 2013, VEA turned over operational control of its transmission assets and transitioned its Nevada load to the control of the California Independent System Operator ("CAISO"). Currently, VEA is one of the few entities that serves non-California load through the CAISO. In addition to its Nevada load, VEA has a very small amount of load (approximately 1 MW on average) associated with customers in California. Currently, this load is served by Southern California Edison ("SCE") under an energy exchange agreement.

VEA offers the following limited comments in response to the Draft Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines issued by the California Energy Commission ("CEC" or "Commission") Staff ("Staff") in May 2017 ("Draft Guidelines"),^{1/} primarily seeking clarification regarding applicability.

COMMENTS

VEA serves on average 1 MW of load in California through retail relationships.^{2/} VEA has previously filed comments with the California Public Utilities Commission ("CPUC") in Rulemaking 16-02-007 encouraging solutions in the integrated resource planning ("IRP") process, which do not apply direct requirements on a cooperative utility like VEA in order to mitigate the cost burden on such small load serving entities ("LSEs") without hampering the overall Commission goals.

Given the lines of demarcation between the entities under the jurisdiction of the CEC and those under the jurisdiction of the CPUC, VEA believes that the CPUC has authority over some aspects

^{1/} http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-07/TN217610_20170515T151625_DRAFT_Publicly_Owned_Utility_Integrated_Resource_Plan_Submissio.pdf

^{2/} VEA does not directly connect to these customers, rather SCE serves the customers through an exchange agreement with VEA.



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of VEA’s service of its California load – in particular, over any filing requirements under the IRP processes required by SB 350. VEA offers these comments, however, in the event that VEA’s service of its California load may instead fall under the oversight of the CEC, or there is otherwise ambiguity as to the regulating body of VEA for the purposes of the IRP.

On June 13, 2017, the Administrative Law Judge (“ALJ”) in CPUC Rulemaking 16-02-007 issued an order clarifying that small LSEs, including electric cooperatives, that are assigned a load of less than 700 GWh in California over the first five years of the planning horizon could satisfy the IRP requirements by filing a “Type 1 Alternative LSE Plan” with the CPUC in lieu of a Standard LSE Plan. The Type 1 Alternative LSE Plan consists of the following documents:

- CEC Form S1;
- CEC Form S2 or Energy Information Administration (“EIA”)
- EIA Form 861 or EIA Form 861S;
- CEC Power Content Report; and
- Demonstration of how disadvantaged communities are being considered.

On May 15, 2017, Staff published their “DRAFT Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines” (“Draft Guidelines”).^{3/} VEA requests that Staff clarify in its upcoming final guideline publication, the application of the exclusion under PUC Section 9621, related to local publicly-owned utilities with an average electrical demand exceeding 700 GWh, as determined on a three-year average^{4/} (“700 GWh Test”).

VEA seeks three points of clarification:

Clarification Regarding Applicability of CEC Guidelines to COOPs

First, VEA generally seeks Staff’s clarification that its Draft Guidelines and related IRP policies are not applicable to VEA as a cooperative utility (“COOP”), and rather that it is the CPUC that has exerted authority over COOPs – not for the purpose of establishing renewable portfolio standards, but for the purpose of reporting with respect to IRP required by SB 350.

Clarification Regarding Relevant Load to Which 700 GWh Threshold Applies

Second, VEA requests that the Draft Guidelines be clarified to indicate that the reporting policies are not applicable to publicly-owned utilities with a *California* electrical load less than 700 GWh

^{3/} DRAFT Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines, CEC, May 2017. http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-07/TN217610_20170515T151625_DRAFT_Publicly_Owned_Utility_Integrated_Resource_Plan_Submissio.pdf

^{4/} Draft Guidelines, p. 1.



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over a three-year period. As indicated above, VEA has a very small amount of California load, which is significantly less than 700 GWh over a three-year period. Both CEC and CPUC staff members have indicated that the intention regarding multi-state utilities is that the 700 GWh Test would be applied to such a utility's *California* load, and not to their entire load, inclusive of loads served in other states. This conclusion was confirmed by the ALJ's recent ruling in Rulemaking 16-02-007. By clarifying that the California load of a utility is the portion of the load that is relevant under the 700 GWh Test, the Commission will reduce this ambiguity for multi-state utilities.

Clarification Regarding Method of Forecasting Demand

Third, VEA seeks clarification regarding the three-year average aspect of the proposed 700 GWh Test. In particular, we ask that Staff clarify the best practices to be applied for the forecasting methodology or otherwise clarify what method is appropriate to use. VEA also requests that the Staff consider applying forecasting methods consistent with those already applicable to CEC utility reporting requirements, for example for the Integrated Energy Policy Report ("IEPR") Supply Plan. Applying consistent reporting requirements will reduce the ambiguity and burden of reporting forecast load for the 700 GWh Test.

VEA appreciates Staff's consideration on these requests.

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