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Turlock Irrigation District's Comments on the May 25, 2017 POU IRP Workshop

Additional submitted attachment is included below.



June 15, 2017

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 17-IEPR-07
1516 Ninth Street
Sacramento CA, 95814-5512

Filed Electronically

RE: TID Comments on IEPR Commissioner Workshop on Draft Guidelines for Publicly Owned Utility Integrated Resources Plans (17-IEPR-07)

Turlock Irrigation District (“TID”) submits the following comments on the California Energy Commission (“CEC”) Lead Commissioner workshop held on May 25, 2017 to discuss the draft guidelines (“Draft IRP Guidelines”) for publicly owned utility (“POU”) integrated resources plans (“IRPs”).¹ TID appreciates the productive exchange between stakeholders and the CEC at the workshop and during the June 9th call with Staff, and thanks the Commission for the opportunity to provide the following comments.

TID acknowledges the hard work by Staff in developing the Draft Guidelines and recognizing some of the POU concerns. Most notably, the five year IRP submission process, the flexibility built into the language regarding data and analyses, and the continued delineation of what is required in the IRP and what is optional. In light of the discussion in the May 25th workshop and the subsequent call with Staff, TID believes there are still some key revisions to the Guidelines needed to clarify and define the IRP process. First, the Draft IRP Guidelines should be revised to clearly acknowledge the limited statutory role imparted by Senate Bill 350 (“SB 350”) to the CEC over POU IRPs. Second, the Draft IRP Guidelines should clearly acknowledge that the review and approval of retail rates falls within the exclusive jurisdiction of the local POU governing boards. Third, the Guidelines should clarify what “deficient” is and eliminate any reference to “non compliance”. Fourth, the Draft IRP Guidelines should be revised to streamline and minimize the administrative burdens on POU. TID recommends revisions

¹ TID incorporates by reference its previous comments submitted on April 27, 2017 related to CEC Staff’s proposal for *POU IRP Guidelines Development: Administration, Review Process, and Reporting* (TN#: 217335), available at: http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-07/TN217335_20170427T163148_Dan_B_Severson_Comments_TID_Comments_on_CEC_Staff_Proposal_for.pdf

below to the Draft IRP Guidelines to address these issues. TID also supports the Joint POU Comments filed on behalf of NCPA, SCPPA, and CMUA.

DISCUSSION

1. The Draft IRP Guidelines Should Clearly Acknowledge the CEC’s Limited Role In Reviewing POU IRPs.

SB 350 provides that the CEC will review an IRP prepared by a POU, determine whether the IRP is consistent with the requirements of Public Utilities Code section 9621, and provide recommendations to correct any identified deficiencies. (Pub. Utilities Code § 9622.) The IRP Guidelines should clearly articulate what information is required in an IRP Filing to be “consistent” with the requirements of Section 9621, and which information is not required. The IRP Guidelines should also clearly articulate that the scope of the CEC’s consistency determination is limited to the IRP, and does not extend to a consistency evaluation of any Supplemental Information that is submitted. Further, during the public comment period, the Guidelines state that “Public comments related to the completeness and consistency of IRPs pursuant PUC 9621 may be considered by the Energy Commission in reviewing the IRP for consistency with the requirements of PUC Section 9621”² In considering public comment, the Commission should limit the consideration to consistency with the requirements of PUC 9621, and not “completeness”.

2. Review of POU Retail Rates Is Within the Exclusive Jurisdiction of a POU’s Local Governing Board.

The IRP Guidelines should clearly articulate that the CEC does not have oversight over the ratemaking authorities of POU’s. TID’s Board Adopted Mission is to “provide reliable and competitively priced water and electric service, while being good stewards of our resources and providing a high level of customer satisfaction”³. TID entered into the electric power business in 1923 to leverage our resources and bring value and low rates to our customer owners. As explained in TID’s April 27, 2017 Comments on the IRP Guidelines⁴, Public Utilities Code Section 9621 does not provide the CEC with purview over POU ratemaking activities. Last year, the Legislature clarified that the provisions of PUC Section 454.52 would apply only “as applicable”. The relevant provision relating to “just and reasonable rates” applies to “electrical corporations”. The Draft IRP Guidelines misstate what is required by Section 9621. TID does not agree that a rate impact analysis is required under Section 9621. The IRP Guidelines

² Chapter 3, B, 2 of the Draft Guidelines

³ http://issuu.com/turlockirrigationdistrict/docs/tid_strategic_plan_web?e=15635682/11469733

⁴ See TID April 27, 2017 Comments.



should only require the submission of public documents, if any, relied upon or published by the POU governing boards when establishing new rates or making rate changes. To address these issues, the IRP Guidelines should be revised as follows:

~~“PUC Section 9621 requires POU to adopt an IRP to ensure the POU achieves the goals of fulfilling its Obligation to serve its customers at just and reasonable rates and minimizing impacts on ratepayer bills. PUC Section 9621 does not require POU to provide any information to the CEC relating to POU rates. The IRP Filing may must~~ include, as Supporting Information, a report or study on rate impacts under the IRP scenario, including any rate analysis the POU Governing Board has adopted in the context of POU rate proceedings. Filing POU are also encouraged to identify elements of the IRP or scenarios that result in large ratepayer impacts.”⁵

3. The Draft Guidelines should clarify what “deficient” is, and eliminate any references to “Non-Compliance

TID appreciates the efforts in the Guidelines to clarify what is “required” and what is optional. The Joint POU Comments offer up some specific edits in this regard that TID supports. Specifically, TID requests that the Commission amend the Draft Guidelines to state that the scope of Commission review is limited to consistency with PUC Section 9621. TID believes that some of the information characterized in regards to energy storage goes well beyond the scope of consistency with PUC Section 9621, and does not accurately reflect the POU roles in regards to our assessment of energy storage procurement. TID also recommends striking the entire “Non-Compliance with Energy Commission Guidelines” Section because it is not clear what “Non-Compliance” is, as there is no statutory reference to “Non-Compliance”.

4. The Draft IRP Guidelines Should Be Refined to Minimize the Administrative Burden on the POU.

The Draft IRP Guidelines should be refined to clearly delineate what information, such as assumptions, reports, inputs, and methodologies, is required for inclusion in a POU’s IRP, and what information is optional for inclusion.

⁵ See Chapter 2, I of the Draft Guidelines.



- **Chapter 2.D: Supporting Information**

TID recommends that the definition of “Supporting Information” be revised as follows:

“Supporting Information for an IRP Filing refers to ~~(1) analyses, studies, data, and work papers, or other material (on which inputs, assumptions, or conclusions are based) that the POU used or relied upon in creating the IRP (such as, but not limited to, market conditions current at the time of the analyses, energy infrastructure, state policies and laws, and needs of the Filing POU) but are not included in the IRP itself; and (2) the~~ additional information required by these guidelines.”

This revision will minimize the administrative burden on POUs by clearly identifying the information that should be provided in an IRP filing, and avoid confusion as to what information should or should not be included. If additional documentation is needed to enable the CEC’s review of the IRP Filing, the CEC can request additional documentation it may need.

- **Chapter 2.E.2: Demand Forecast Methodology and Assumptions**

TID recommends that the assumptions included in the IRP Filing relating to demand forecast be revised as follows:

“If the POU develops the demand forecast, the IRP Filing must include the major assumptions used in developing the demand forecast for expected growth in electricity demand given assumed economic conditions, demographic changes, climate change impacts, and demand-side resources.”

This revision is necessary to clarify that the listed assumptions are not required in the development of the demand forecast, which will permit POUs to identify the assumptions most appropriate for its service territory.



- **Chapter 2.F: Resource Procurement Plan**

It is unclear, what the CEC means by “the information” in this Section. As noted above, the provisions relating to “supporting information” should be revised to minimize administrative burdens on POU. TID recommends deleting the following sentence:

~~“In addition, to the extent the information is not included in the IRP Filing, inputs, assumptions, and methodologies must be provided as Supporting Information.”~~

This revision will reduce the administrative burden of preparing IRP Filings by eliminating the provision of information that does not have any material effect on the IRP prepared by the POU.

- **Chapter 2.F. 2: RPS Planning Requirements**

TID recommends that the RPS reporting requirements be revised as follows:

POUs must report the appropriate following data in the EBT and RPT ~~and submit relevant Supporting Information as part of the IRP Filing~~ to allow the Energy Commission to assess whether the Filing POU’s IRP includes procurement of renewable resources sufficient to meet the RPS planning requirements.

Whether a POU has met its RPS requirements can be determined from the information in the EBT and RPT. Therefore, this revision makes clear that there are no changes to the EBT and RPT submissions. Furthermore, the scope of the Supporting Information proposed for inclusion in the IRP Filing is ambiguous. Rather than having the POU attempt to guess what information should be included, the CEC can request information during its review as needed.

- **Chapter 2.F. 2.b: Renewable Procurement**

TID recommends that the information provided for the forecast of RPS procurement be submitted in the appropriate Standardized Table, rather than separately, to avoid potential duplicative efforts. Therefore, this section should be revised as follows:

“POUs must provide a forecast of current procurement the POU assumes available to meet the RPS planning requirement by providing the information in the appropriate Standardized Table. This may include:

- Historical Carryover from pre-2011 procurement.



- Excess Procurement from previous compliance periods.
- Utility-owned and contracted resources (as identified in the EBT).

POUs must provide a forecast of additional procurement in each compliance period by providing the information in the appropriate Standardized Table. This may include:

- Utility-owned resources or contracts for energy (as identified in the EBT).
 - Purchase of tradable Renewable Energy Credits.”
- **Chapter 2.G.3: Flexible Capacity**

The CEC should clarify that a POU may provide a narrative description of how it plans to address concerns of over-generation. For example, for POUs like TID, that serve as their own Balancing Authority Area, overgeneration may currently be much less of a concern given the lesser degree of solar penetration compared to other BAAs, such as the CAISO. The presence of fast starting, flexible capacity resources in TID’s BAA currently provides sufficient ramping and other services needed to respond to intermittent generation. Meeting these BAA requirements and addressing reliability risks is within the purview of the POU’s governing board. A detailed hour-by-hour dispatch model should not be required.

“IRP Filings may include information regarding estimates of potential over generation and the disposal (curtailment and market sale) of surplus energy during mid-day hours. In addition, the IRP Filing must present details of demand and supply conditions (representative daily load profiles and “supply-resource stacks”) for periods when overgeneration occurs and when early evening ramping needs are greatest. The POU may satisfy this requirement through a narrative description.”

- **Chapter 4.C: Deadlines and Submission Dates**

An additional method for submitting IRP filings should be provided for in case a POU encounters technical issues with the CEC’s electronic filing system. TID recommends the following addition to Chapter 4.C:

“If a POU experiences technical issues submitting its IRP Filing using the CEC’s electronic filing system by the deadline, a POU can submit its IRP Filing by email to the Commission before the deadline to satisfy the requirements herein. If requested by the CEC, a POU who submitted its IRP via email shall resubmit its IRP using the CEC’s electronic filing system at a later date.”



TID appreciates the opportunity to provide these comments and looks forward to continuing to work with the Commission and other stakeholders on the successful implementation of the IRP filing requirements contemplated in PUC Sections 9621 and 9622.

Sincerely,

/s/

Dan B. Severson
Turlock Irrigation District