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<td><strong>Project Title:</strong></td>
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<td>CMUA, NCPA, and SCPPA Comments on Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines</td>
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Comment Received From: CMUA, NCPA, and SCPPA
Submitted On: 8/2/2017
Docket Number: 17-IEPR-07

on Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines

Additional submitted attachment is included below.
BEFORE THE CALIFORNIA ENERGY COMMISSION

In the matter of,


JOINT POU COMMENTS ON PUBLICLY OWNED UTILITY INTEGRATED RESOURCE PLAN SUBMISSION AND REVIEW GUIDELINES

I. INTRODUCTION


The Joint POUs greatly appreciate Commission staff’s hard work and responsiveness to stakeholder comments in the development of the Guidelines. Throughout this process, many stakeholders – Joint POUs included – offered substantial comments to Commission staff to ensure that the Guidelines appropriately reflect the scope of the Commission’s authority to review publicly owned utility (“POU”) integrated resource plans (“IRPs”) for consistency with Public Utilities Code section 9621.1

The July 7 Guidelines include several amendments that, as compared to the previous draft, better align the Guidelines with the Commission’s authority under the above-referenced code section. The Guidelines demonstrate recognition of the vast differences across POUs and their ability to provide the requested data. They also more reasonably reflect the distinction between data needed to assess an individual POU’s IRP versus data needed to conduct a statewide analysis of progress towards meeting the state’s energy policies, the latter of which is properly assessed in the context of the Commission’s Integrated Energy Policy Report (“IEPR”).

1 All statutory references are to the Public Utilities Code, unless otherwise specified.
II. COMMENTS ON THE GUIDELINES

A. Chapter 3, Section B: Review of IRP Filing.

The modified characterization of the Commission’s role in determining consistency with section 9621 more accurately reflects the scope of the Commission’s authority under section 9621. The draft guidelines released in May included sections on “Deficient IRPs”, “Determination”, and “Noncompliance with Energy Commission Guidelines.” These sections addressed the process by which the Commission would identify whether a POU’s IRP included the requisite information for the Commission to complete its review pursuant to section 9621. However, as discussed in previous versions of the Joint POUs’ comments, there is no statutory authorization under section 9622 for a Commission finding of “non-compliance.” As such, there is neither a basis for assessing what “non-compliance” means in the context of these Guidelines nor is there a basis for defining the consequences of a finding of “non-compliance.” As currently drafted, the Guidelines correctly characterize the scope of the Commission’s authority without hindering its ability to collect necessary information. The modified language does not preclude the Commission from seeking more information from a POU should Commission staff find that the POU’s IRP does not include the information the agency believes is needed to fulfill the Commission’s obligation to review the IRP and assess it for consistency with the provisions of section 9621.

B. Chapter 2, Section F, Subsection 4: Energy Storage.

In clarifying discussions with Commission staff, the Joint POUs cited concerns about the draft guidelines’ characterization of the role of energy storage in addressing overgeneration and reliability. The current version better reflects the consequences of overgeneration at an individual utility level, as distinguished from information that would be more relevant in an IEPR assessment. Macro-level analysis on energy storage and its impacts would be most reasonably completed as part of the IEPR process, with input from Balancing Authorities and utilities.

C. Chapter 2, Section G: System and Local Reliability.

The Guidelines appropriately exclude POU-specific discussion of flexible capacity needs, which was necessary to align the reporting requirements with actual data constraints of the POUs. Overgeneration and ramping needs are not measured or resolved on an individual utility basis. Instead, POUs are currently required to adopt a resource adequacy program that meets the
needs of the Balancing Authority in which they operate. Flexibility needs are included in or addressed by these programs. Any discussion of flexibility needs must be considered within the context of reliability and must acknowledge the limited role that an individual POU plays in resolving system reliability. The Guidelines reasonably request this information, if available, without mandating data reporting from utilities that may not have access to the level of data sought.

D. Chapter 2, Section I: Retail Rates.

The Guidelines accurately reflect the statutory language relating to rates and the applicability of those sections to POUs. The current draft correctly acknowledges the importance of maintaining POU autonomy and local control over ratemaking. POUs’ rates are set by locally elected governing boards in public processes with direct involvement from their communities. As such, it is critical that nothing in these Guidelines infringe upon the statutory authority of the local governing boards and the rights of the POUs’ customers to shape their own rates and the policies and goals of their utility. The modified language more appropriately reflects the jurisdictional realities at play in the public ratemaking process.

E. Chapter 3, Section A, Subsection 6: Preparation and Submission of IRP Filing.

As representatives of our member utilities, the Joint POUs appreciate the clarifications in this section noting that associations or contractors may prepare and submit either an entire IRP or portions of an IRP on behalf of their POU. While associations are unlikely to submit an entire IRP on behalf of a POU, it is possible that certain subsets of information could be compiled and submitted jointly. This provision grants POUs administrative flexibility that could prove very beneficial in preserving limited staffing resources while still ensuring regulatory filings are submitted in a timely manner.

F. Chapter 4, Section B: Substantive Changes to the Guidelines.

Because the Joint POUs and the Commission are mutually invested in adopting IRPs that reflect input from the POUs’ communities and members of the public, we strongly support the newly inserted language suggesting that the Commission will endeavor to provide public notice at least 30 days in advance of considering substantive changes for Commission adoption. The Joint POUs greatly appreciate the Commission’s acknowledgement of the need for additional time to assess potential changes, notwithstanding the minimum 10-day notice requirement. This
extended timeframe acknowledges the significant impacts that IRPs have on POUs’ planning strategies, and the additional time would further ensure that all stakeholders have sufficient opportunity to complete a comprehensive review of any proposed changes.

III. CONCLUSION

The Joint POUs appreciate the opportunity to provide these comments to the Commission. As the POUs begin the process of developing their initial IRPs, it is likely that it will be discovered that additional corrections will be necessary to these Guidelines, such as changes to definitions or adjustments to timing requirements. The Joint POUs encourage the Commission to continue to work with the POUs and plan for the potential need to adopt clean-up revisions to these Guidelines prior to January 1, 2019.

Dated August 2, 2017 Respectfully submitted,

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