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SDGE Comments on 2018 IEPR Agenda and Scoping Order

Additional submitted attachment is included below.



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California Energy Commission
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Subject: SDG&E Comments on the 2018 Integrated Energy Policy Report Update and Scoping Order, Docket No. 18-IEPR-01 – General/Scope

Dear Chairman Weisenmiller and fellow Commissioners:

San Diego Gas & Electric Company (“SDG&E”) appreciates the opportunity to submit comments on the 2018 Integrated Energy Policy Report Update (2018 IEPR Update) and Scoping Order. SDG&E recommends that the 2018 IEPR Update address the following subject area for inclusion into this update.

I. 2018 IEPR SHOULD EXPAND THE PRACTICE OF UPDATING THE DEMAND FORECAST WITH MORE THAN JUST FRESH DRIVER DATA AND MORE RECENT HISTORICAL VALUES FOR ENERGY AND PEAK DEMAND

The current procedure for developing a demand forecast depends on whether the IEPR cycle occurs in an odd or even year. For odd-year cycles, e.g. 2017, all aspects of the demand forecast were developed from bottom up with a new set of historical data, new assumptions, fresh driver data, and new policy driven load modifiers. For even years, e.g. 2018, the practice will be to update the 2017 IEPR Demand Forecast with just fresh driver data and more recent historical values for energy and peak demand, and not update base assumptions or policy driven load modifiers.

Load modifiers such as electric vehicle charging, behind-the-meter photovoltaic generation (BTMPV), and behind-the-meter storage (BTM-Storage) have become very important aspects of the demand forecast. Their impact is significant and they are evolving quickly, so quickly that SDG&E believes it would be most prudent to include updating these load modifiers in the even-year IEPR cycle as well as the odd-year IEPR cycle.

II. THE 2018 IEPR UPDATE SHOULD ADDRESS THE IMPORTANCE OF NATURAL GAS INFRASTRUCTURE TO ADVANCE THE STATE'S LONG-TERM SAFETY, RELIABILITY, AND CLIMATE OBJECTIVES

Section II of the draft Scoping Order for the 2018 IEPR Update (“Scoping Order”) includes issues that were not fully addressed in the 2017 IEPR. SDG&E notes that the Final 2017 IEPR does not study the need to maintain and modernize the state’s natural gas infrastructure system. As SDG&E noted in its filed comments on the Draft 2017 IEPR,¹ natural gas infrastructure is of paramount importance to meeting the state’s safety, reliability, and climate goals. SDG&E therefore requests that the 2018 IEPR Update include this issue, as summarized below:

1. Consider the importance of maintaining and updating natural gas pipeline infrastructure as California pursues its 2030 and 2050 climate goals.

New or upgraded infrastructure is necessary to meet the state’s stringent safety standards for gas pipelines, which will continue to be needed for heating homes and businesses as the state advances toward its climate goals. The CEC has recognized the need to address the reliability of the electric grid as additional renewable energy resources are added. Natural gas-fired electric generation will continue to play a role in maintaining reliability as more intermittent renewable energy resources are integrated. In addition, meeting the state’s renewable gas goals requires a safe and reliable gas supply. Finally, natural gas pipeline upgrades can support methane leak reduction policies, which further advance California’s climate goals.

SDG&E and SoCalGas’ co-sponsored Pipeline Safety & Reliability Project (“PSRP”), for example, would enhance public safety, improve reliability in a natural gas-constrained region, facilitate renewable gas usage in the greater San Diego area, and modernize the natural gas system through state-of-the-art technology upgrades.

2. Recognize and evaluate San Diego’s constrained natural gas supply system, which continues to threaten reliability and the integration of renewable energy resources.

The Scoping Order includes consideration of energy reliability in Southern California as an issue for study in Section II. To fully address that issue, the CEC must address the natural gas transmission system constraints in San Diego. San Diego currently relies on just two transmission pipelines to bring natural gas into the region. One of those pipelines is Line 1600, which has been subject to multiple emergency mandates issued by the CPUC since July 2016, including requirements to reduce operating pressure by 20%, perform additional inspections, and perform additional surveys. As part of PSRP, SDG&E and SoCalGas propose to permanently lower the pressure of the Line 1600 to distribution service level. In addition, without any

¹ SDG&E comments filed on 11/13/17, http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-01/TN221739_20171113T135622_Steve_Lango_Comments_Comments_of_SDGE_on_2017_Draft_Integrated.pdf

changes the natural gas transmission system constraints will prevent the region from fully taking advantage of the benefits of renewable natural gas as California moves toward achieving its climate goals.

III. CONCLUSION

SDG&E thanks the Energy Commission for the opportunity to submit these comments and looks forward to engaging with the Energy Commission and other stakeholders throughout this process.

Sincerely,

/s/ Tim Carmichael

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