STATE OF CALIFORNIA

California Energy Commission

In the Matter of:	)	
	)	
QUAIL BRUSH GENERATION PROJECT	)	**DOCKET NO. 11-AFC-03**
	)	

STATUS REPORT INTERVENOR:

Kevin C. Brewster

15 OCTOBER 2012

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I, Kevin C. Brewster, pursuant to the Committee Scheduling Order revised October 2, 2012 file this status report to the Committee.

Participation in Public Workshops: As part of the public participation process, I attended the Public Workshop held October 3, 2012 at Grossmont College. I provided comments to the CEC Staff and the Applicant on issues related to Biological Resources and Air Quality Modeling.

Research of CEC material regarding LORS override:

After extensive review of CEC documentation I believe it is in the best interest of the Applicant and Public's interest to withdraw the Quail Brush Application for Certification. The Evidence fails to demonstrated need and there are more prudent and feasible alternatives that provide considerable more public benefit. While it is hard to predict the criteria against which the public need will be judged, I am under the belief that the need for power will be used as a ruler. Baseline power can be ruled out, and the jury is out on the dispatch need. I would contend that if any findings show any more power is needed in the future that Solar is the alternative.

Base need:

Using the 2011 Integrated Energy Policy report as my main source, the following quote helps rule out basic demand need as the criteria: *The California ISO prepared an unpublished power flow/stability study for the CPUC 2010 LTPP proceeding (R. 10-05-006) in the spring of 2011 that demonstrated little need for new capacity in the 2020 time horizon, in part because of the relatively low load forecast (modified down further by demand-side policy impacts) caused by the extended slowdown of California's economy*[1]. Further the plant is billed as a peaker plant, designed to support renewable energy.

Dispatch Need

[1] 2011 Integrated Energy Policy Report: pg 118

The Governor directed the Energy Commission to prepare a plan to *"expedite permitting of the highest priority [renewable] generation and transmission projects" to support investments in renewable energy that will create new jobs and businesses, increase energy independence, and protect public health.* [2]Charged with moving forward on these goals the CEC laid out a number of high level strategies and highlighted some potential issues. One of the issues highlighted was Grid-Level Integration. *Maintaining reliable operation of the electric system with high levels of intermittent resources will require a variety of strategies including, but not limited to, regulation to follow real-time ups and downs in generation output, voltage, or frequency caused by changes in generation or load; ramping generation from other units to follow potential up or down swings in wind or solar generation; spinning reserves[36] to provide standby power as needed; and replacement power for outages.*[3] The CEC provides that complementary technologies could be used, Renewables, Gas, Energy storage and Demand response[4]. Expanding on the demand response item, the CEC states following: *Demand response – having electricity customers reduce their consumption at critical times or in response to market prices – can also play an important role by providing short-term load reductions and combining smaller loads to provide regulation or ramping through automatic controls that turn individual loads up or down as needed.* [5]

However the question of how much dispatch is in question: *The California ISO's recent studies of renewable integration concluded that the state does not need new dispatchable gas-fired generation for meeting the 33 percent by 2020 Renewables Portfolio Standard (RPS) if certain conditions are met. These conditions include: [illegible] growth net of uncommitted energy efficiency, other DSM programs, and self-generation is consistent with the CPUC's "mid-case" assumptions for use in the 2010*[6]. In fact the current energy usages are considerably off from earlier projections.

In fact the CEC declares: *The settlement reached in the CPUC's 2010 LTPP Proceeding recognized that there is insufficient information for accurately estimating needed dispatchable capacity for integrating variable energy resources to meet the state's RPS. The Energy Commission anticipates that the CPUC's 2012 LTPP proceeding will evaluate this information and develop planning assumptions.* [7]. Many analysts believe the CPUC is going to declare that no dispatchable capacity is needed in the SDG&E territory.

Alternative:

Using a combination of Demand Reduction in the form of rooftop solar and Distributor Generation PV (larger installations of Rooftop solar) allows California to hit strong GHG targets, Follow the Priorities of Loading order, follows the governor's guidelines of Green job creation and ensures Environmental Justice.

Energy Efficiency and Loading order

The CEC following legislative guidelines acknowledges that Demand reduction should be sought as the first solution:

California's commitment to reduce GHG emissions to 20 percent of 1990 levels by 2050143 requires developing demand-side resources (for example, energy efficiency and demand response programs), retiring

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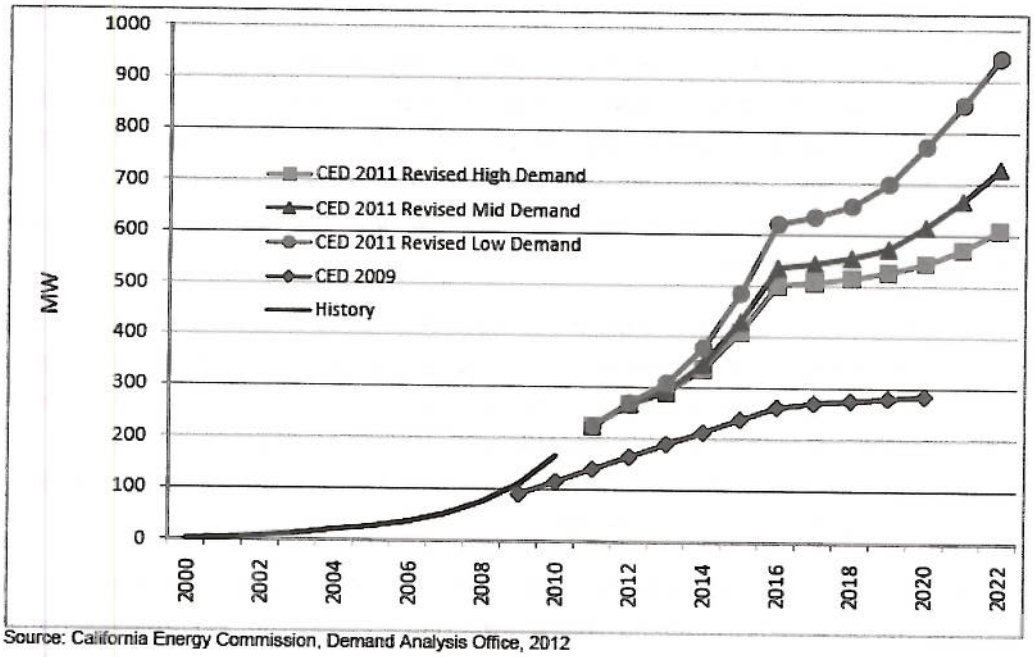
[2] 2011 Integrated Energy Policy Report: pg 28
[3] 2011 Integrated Energy Policy Report: pg 39
[4] 2011 Integrated Energy Policy Report: pg 32
[5] 2011 Integrated Energy Policy Report: pg 39
[6] 2011 Integrated Energy Policy Report: pg 131
[7] 2011 Integrated Energy Policy Report: pg 131

or divesting high emission generation, and developing renewable and other zero- or low-carbon resources. To this end, California has placed energy efficiency at the top of the state's loading order144 and requires the utilities to limit long-term investments to power plants that meet the Emission Performance Standard (EPS). [8] Traditional Roof top panels on consumer homes function as demand reduction. Projections of future energy needs by the CEC factor in rooftop solar as a demand reduction. Solar production from rooftop panels closely follows peak demand.

Figure 1-14: Statewide Peak Impacts of Residential PV Systems



Source: California Energy Commission, Demand Analysis Office, 2012

Table 1-9 shows historical and projected statewide electricity consumption from self-generation, broken out into PV and non-PV applications. For traditional combined heat and power (CHP) technologies, self-generation is assumed constant, so that retired CHP plants are replaced with new ones with no net change in generation. Growth in non-PV self-generation comes mainly from historical growth in engines and recent increases in the application of fuel cells projected forward.

Further legislation has broken the RPS targets into regular capacity and localized capacity: Governor Brown's Clean Energy Jobs Plan calls for adding 20,000 MW of new renewable capacity by 2020, including 8,000 MW of large-scale wind, solar, and geothermal as well as 12,000 MW of localized generation close to consumer loads. According to a recent presentation by Michael Picker, Senior Advisor to the Governor for Renewable Facilities, resources included in the 12,000 MW goal are defined as: (1) fuels and technologies accepted as renewable for purposes of the Renewables Portfolio Standard; (2) sized up to 20 MW; and (3) located within the low- voltage distribution grid or supplying power directly to a consumer[9].

Expanding on this concept, the CEC declares: *Given the trend of declining costs for solar photovoltaic (PV) technologies, the Energy Commission believes the focus should be on developing the "low-hanging fruit" in the next few years.* Recognizing the benefits of Renewables in the DG space, the CEC goes further to state:

[8] 2011 Integrated Energy Policy Report: pg 125
[9] 2011 Integrated Energy Policy Report: pg 28

Renew- able electricity provides many economic and environmental benefits including local jobs in clean technology and construction industries; revenues from property and sales taxes; energy independence from using local energy sources and fuels rather than imported natural gas; reduced fossil-fuel generation that has negative impacts on air and water quality; and reduced greenhouse gas emissions from the electricity sector to help meet state climate change goals. [10]

The CEC acknowledges the Environmental Justice implications of DG Rooftop solar: *EJ communities do see the value of renewable generating resources, particularly renewable DG such as rooftop PV, in their communities. Rooftop PV in urban environments can provide value to these communities by reducing the health and environ- mental impacts of fossil-fueled power and increasing economic revitalization and creation of local green jobs.* [11]

Solar standing in for dispatch capacity:

In a recent hearing of the Pio Pico project *Mr. Powers and intervener on the project explored the use of Solar as an Alternative: provided detailed analysis of the costs of such PV, concluding that there was little or no difference between the cost of energy provided by a project such as the CVEUP compared with the cost of energy provided by PV. (Ex. 616, pp. 13 – 14.) In addition, while PV is not a quick-start technology which can be dispatched on ten minutes' notice any time of the day or night, PV does provide power at a time when demand is likely to be high—on hot, sunny days. Mr. Powers acknowledged on cross-examination that the solar peak does not match the demand peak, but testified that storage technologies exist which could be used to manage this. The essential points in Mr. Powers' testimony about the costs and practicality of PV were uncontroverted.* [12]The Commission stated *The Applicant effectively eliminated photovoltaic (PV) generation from its alternatives analysis when it stated that it did "not meet the project objective of utilizing natural gas available from the existing transmission system." (Ex. 1, p.6-13.) This is another example of a too-narrow project objective artificially limiting the range of potential alternatives.* [13]

Economics of Dispatch capacity

When looking at the economic realities of providing dispatch capacity with gas power plants the CEC acknowledges: *However, a challenge is the need to modify revenue streams to cover the incremental costs of shifting the use of these units from providing maximum energy production to providing flexible products, as well as potential environmental impacts and loss of machine life from cycling these units more frequently.* [14] In contrast Feed In tariffs provide a method of supporting the development of DG capacity like feed-in tariffs provide a relatively guaranteed revenue stream, reduce transaction costs, and help support low-cost private financing. In February 2008, the CPUC made feed-in tariffs avail- able for the purchase of up to 480 MW of renewable generating capacity from small facilities (1.5 MW or less). Senate Bill 32 (Negrete McLeod, Chapter 328) [15] Japan and Germany both are utilizing Feed in Tariffs to build out their solar infrastructure. Germany recently supported up to 50% of their daytime load using solar. Japan is investing 9 billion dollars in solar in the form of Feed in Tariffs to build out their infrastructure and replace their ailing nuclear industry. Why go with a questionable economic model of using natural gas to support

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[10] 2011 Integrated Energy Policy Report: pg 27
[11] 2011 Integrated Energy Policy Report: pg 44
[12] Chula Vista Energy Upgrade Project application for certification (07-AFC-04) pg 29&30
[13] Chula Vista Energy Upgrade Project application for certification (07-AFC-04) pg 30
[14] 2011 Integrated Energy Policy Report: pg 39
[15] 2011 Integrated Energy Policy Report: pg 40

dispatch capacity when solar is a proven model?

The Future

Governor Brown further indicated that: *the 33 percent by 2020 RPS target should be considered a floor rather than a ceiling. This is consistent with the need for additional renewable generation and other zero-carbon electricity resources to meet the state's long-term (2050) GHG emission reduction goals.* 33 Clearly, combining the benefits of DG Rooftop solar expands the percentage of renewables and meets key generation and Integration goals. In fact Solar will get better in the future as CEC investments in R&D in Storage and improved forecasting reduce any perceived intermittency issues[16]

In Summary: the Solar advantage

Rooftop solar in both small (consumer) and larger forms of parking lot solar or commercial installations (DG Solar) can provide a compelling Alternative to traditional gas power plants. In fact due to the demand reduction, expansion of renewables, environmental justice, economics, job creation Roof top solar should be considered before gas power plants.

Solar and the public good

Solar would not generate elevated levels of Nitrogen fixation in sensitive plant habitat.

Solar would not impact water quality runoff and impact to Vernal pools

Solar would not impact the high school 1500 ft away with noise pollution during class

Solar would not impact with excessive nighttime lighting: the campground across the way, sleeping citizens, nocturnal animals, stargazers.

Solar would not pour particulate matter on residents

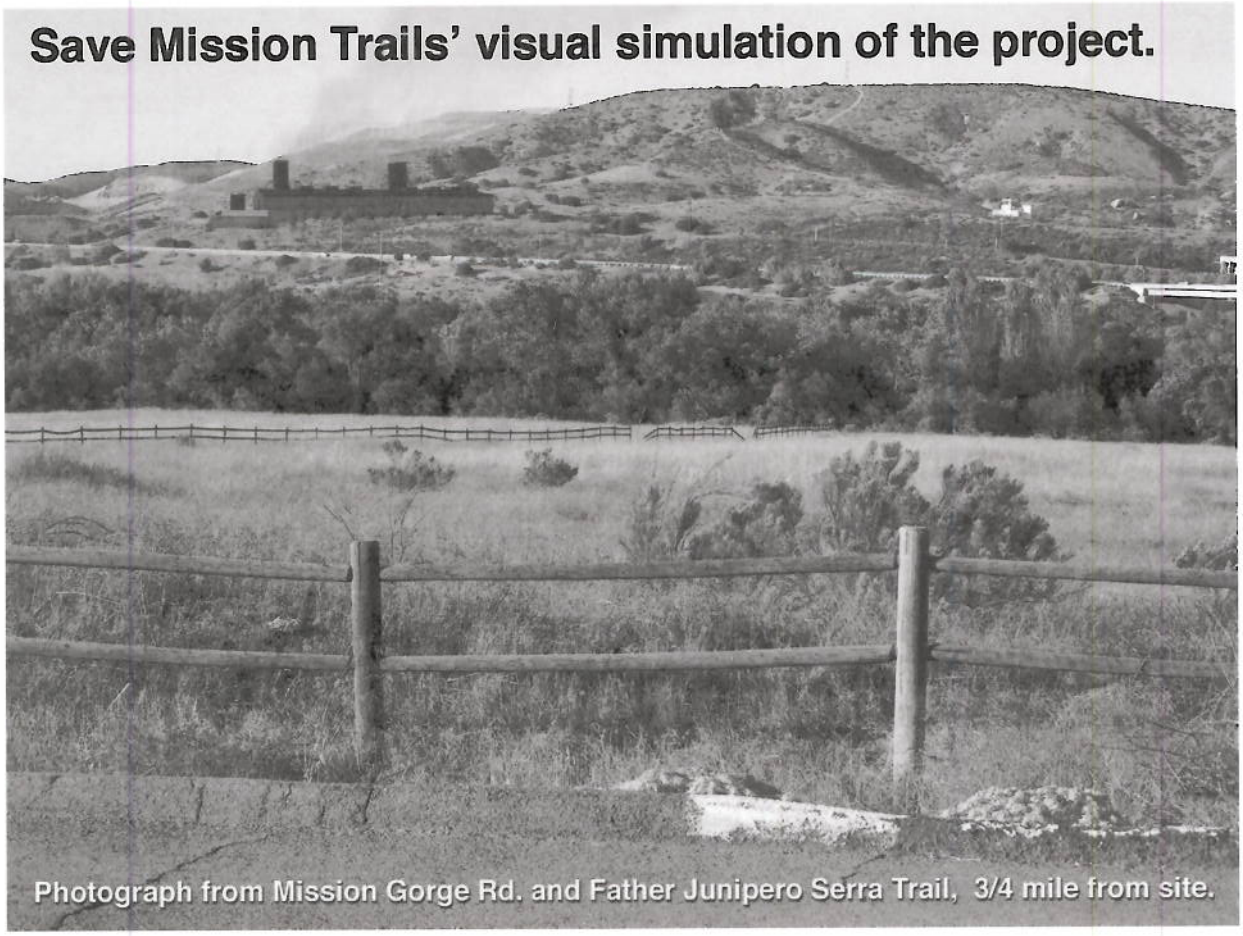
Solar would not endanger the navigation of Military and Civilian pilots with Thermal plumes

Solar would not disturb the cultural landscape of Native American and Spanish settlers.

Solar would not deface the largest urban park in the United States.

[16] 2011 Integrated Energy Policy Report: pg 40

Save Mission Trails' visual simulation of the project.



Photograph from Mission Gorge Rd. and Father Junipero Serra Trail, 3/4 mile from site.

Dated: October 15, 2012

Respectfully submitted,

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DECLARATION OF SERVICE

I, **Kevin C. Brewster,** declare that on **October 15, 2012**, I served and filed copies of the attached **Status Report, Intevenor: Kevin C. Brewster,** dated **October 15, 2012**. This document is accompanied by the most recent Proof of Service list, located on the web page for this project at:
http://www.energy.ca.gov/sitingcases/quailbrush/index.html.

The document has been sent to the other parties in this proceeding (as shown on the Proof of Service list) and to the Commission's Docket Unit or Chief Counsel, as appropriate, in the following manner:

(*Check all that Apply*)

For service to all other parties:

X Served electronically to all e-mail addresses on the Proof of Service list;

___ Served by delivering on this date, either personally, or for mailing with the U.S. Postal Service with first-class postage thereon fully prepaid, to the name and address of the person served, for mailing that same day in the ordinary course of business; that the envelope was sealed and placed for collection and mailing on that date to those addresses marked ***"hard copy required"** or where no e-mail address is provided.

AND

For filing with the Docket Unit at the Energy Commission:

X by sending an electronic copy to the e-mail address below (preferred method); ***OR***

___ by depositing an original and 12 paper copies in the mail with the U.S. Postal Service with first class postage thereon fully prepaid, as follows:

CALIFORNIA ENERGY COMMISSION – DOCKET UNIT
Attn: Docket No. 11-AFC-03
1516 Ninth Street, MS-4
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OR, if filing a Petition for Reconsideration of Decision or Order pursuant to Title 20, § 1720:

___ Served by delivering on this date one electronic copy by e-mail, and an original paper copy to the Chief Counsel at the following address, either personally, or for mailing with the U.S. Postal Service with first class postage thereon fully prepaid:

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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, that I am employed in the county where this mailing occurred, and that I am over the age of 18 years.

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COMMISSION OF THE STATE OF CALIFORNIA
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APPLICATION FOR CERTIFICATION FOR THE
QUAIL BRUSH GENERATION PROJECT

DOCKET NO. 11-AFC-03
PROOF OF SERVICE
(Revised 10/08/2012)

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