DOCKETED	
Docket Number:	18-IEPR-01
Project Title:	2018 Integrated Energy Policy Report Update
TN #:	225773
Document Title:	SCE Comments on the Draft 2018 Integrated Energy Policy Report Update Volume II
Description:	N/A
Filer:	System
Organization:	SCE/Catherine Hackney
Submitter Role:	Public
Submission Date:	11/2/2018 1:46:22 PM
Docketed Date:	11/2/2018

Comment Received From: Catherine Hackney
Submitted On: 11/2/2018
Docket Number: 18-IEPR-01

SCE Comments on the Draft 2018 Integrated Energy Policy Report Update Volume II

Please see attached.

Additional submitted attachment is included below.

SOUTHERN CALIFORNIA EDISON
An EDISON INTERNATIONAL Company

Catherine Hackney
Director, Regulatory Affairs

November 2, 2018

California Energy Commission
Docket Office, MS-4
Re: Docket No. 18-IEPR-01
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission Docket No. 18-IEPR-01: Draft 2018 Integrated Energy Policy Report Update Volume II

Dear Commissioners:

On October 9, 2018, the California Energy Commission (CEC) released the Draft 2018 Integrated Energy Policy Report Update Volume II (Volume II) as part of the 2018 Integrated Energy Policy Report Update (2018 IEPR Update) proceeding. Per the proceeding's Scoping Order, the "second volume will provide a more detailed follow up of several energy issues examined in the *2017 IEPR* and will encompass new analytical work as well as significant opportunities for public participation." The CEC also held a workshop on October 19, 2018 to solicit public comments on the draft version of Volume II. Southern California Edison (SCE) participated in several of the 2018 IEPR workshops held between April 2018 and August 2018 and welcomes the opportunity to provide these written comments on the Volume II draft report.

I. Introduction

SCE appreciates the CEC's leadership in driving efforts towards the state's climate, energy, air quality and other environmental goals, while maintaining reliability and controlling cost. We also note that many of the energy goals and recommendations described in Volume II align with our Clean Power and Electrification Pathway (CPEP) white paper, which describes a holistic, systematic approach to achieving California's 2030 greenhouse gas (GHG) emissions targets through a cost-effective approach to decarbonization. Furthermore, our 2017-2018 Integrated Resources Plan (IRP), which was recently filed with the California Public Utilities Commission (CPUC), lays the groundwork for moving SCE forward on its CPEP goals. SCE will continue to work in partnership with legislators, regulators, communities, and other interested stakeholders to seek ways to achieve California's GHG emissions and air pollution reduction goals at the lowest reasonable cost, while delivering safe and reliable electric service.

II. Comments on Chapter 1: Decarbonizing Buildings

There currently are no comprehensive set of policies to both achieve deep decarbonization of the building sector and address implementation barriers (e.g., barriers associated with fuel substitution or fuel switching in retrofits). Volume II, however, highlights efforts made by the CEC and the statewide utility Codes and Standards Program to better align the adopted 2019 Building Energy Efficiency Standards with decarbonization. Volume II makes recommendations to develop energy metrics that are more closely aligned with GHG emissions, for example, and highlights efforts to conduct field/laboratory testing of mini-split (variable capacity) heat pumps and enhance energy modeling capabilities for central heat pump water heaters in multifamily dwellings. As greater emphasis is placed on building electrification as a means of decarbonization in the IEPR and other proceedings,[1] it will be necessary and helpful for the CEC and others to increase coordination of the IEPR process with the development of the Building Energy Efficiency Standards and related program activities.

III. Comments on Chapter 3: Increasing Flexibility in the Electricity System to Integrate More Renewable Energy

SCE offers some minor corrections to this chapter with regards to the statewide Demand Response Auction Mechanism (DRAM) Pilot. For example, we would like to clarify in Volume II that the third auction of the DRAM in 2017, is for a two-year pilot (with delivery in 2018 and 2019). Fourth auction contracts were approved last month and are no longer under CPUC review.

We recommend removing the reference to the CPUC's Load Shift Working Group from the DRAM section of the report and moving it to its own subsection in the "Flexible Loads" chapter. Discussions in the Load Shift Working Group include, but are not exclusively tied to, the DRAM. Other efforts, such as the California Independent System Operator's (CAISO's) Energy Storage Distributed Energy Resources (ESDER) Phase III, may be appropriate to pair with the Load Shift Working Group to create the mechanism and markets to enable load shifting. Discussion of the Load Shift Working Group and CAISO ESDER Phase III could be brought together as its own subsection in the chapter.

IV. Comments on Chapter 4: Energy Equity

SCE is supportive of the goals in the Energy Equity chapter and has proposed electric conversion pilots to bring affordable energy to three communities in the San Joaquin Valley. These communities currently do not have access to natural gas and some residents use expensive and unhealthy sources of energy. SCE will provide electric appliances (e.g., space heating, air conditioning, and cooktops) to these customers and support the development of community solar projects to bring affordable, local, and clean energy to these communities.

[1] For example, the CPUC is expected to open a Building Electrification proceeding in 2019.

V. Comments on Chapter 5: Climate Adaptation and Resiliency

SCE appreciates the CEC's work to bring relevant climate tools, data and science together to assess current and future statewide climate impacts to the energy sector. We recognize that the research from California's 4th Climate Assessment and other studies commissioned/approved by the CEC will also inform ongoing efforts by California's utilities to address the impacts of climate change on their provision of safe, affordable, and reliable services, as well as important proceedings, like the CPUC's Climate Adaptation Rulemaking (R.18-04-019). In addition to the mitigation strategies described by the CPEP in SCE's 2017-2018 IRP Filing, SCE is committed to working with the CEC and CPUC in defining consistent climate change scenarios, as well as the appropriate data, methods, and tools to translate these scenarios for use in planning activities across resource, distribution, and transmission planning domains.

In order to address the immediate impacts of climate change, such as wildfire, SCE supports the CEC's efforts to direct greater research efforts to develop new technologies and tools to assist with fuel management, ignition control, and situational awareness. The CEC's finding related to contact-from-objects being the leading cause of powerline ignitions aligns with SCE's strategy to address wildfire ignitions through deployment of insulated overhead lines (covered conductor), targeted protection regimes, and enhanced vegetation management, as outlined in SCE's recent Grid Safety & Resiliency Program Filing. Importantly, the CEC's public workshops on wildfire-related research, development and demonstration needs have served as a good forum by which to bring stakeholders from various backgrounds and disciplines to address these complex issues. We support and will continue to partner with the CEC in developing solutions to address changes to the environment and impacts to our customers.

VI. Comments on Chapter 7: Energy Demand Forecast Update

In this chapter, the CEC specified that a goal would be to develop monthly peak forecasts in energy demand for resource adequacy (RA) purposes. SCE respectfully requests that the CEC allow sufficient time for stakeholders to provide meaningful input on any proposed forecast as this would have critical implications for our RA proceedings.

With regards to the 2018 IEPR Plug-in Electric Vehicle (PEV) forecast assumptions, which will ultimately impact the CEC's PEV forecasting, SCE is uncertain if the CEC's PEV forecast will result in significantly higher electric vehicle (EV) levels in the long term, especially for the mid-case. We suggest that higher levels of EV adoption may be better supported by recent significant changes in state policies such as CA Governor's 5 million ZEV target by 2030 (Executive Order B-48-18), utilities' infrastructure investment decisions, as well as accelerated EV market transformation. Higher levels of EV adoption would also be required to help meet the state's climate goals, as noted in the CEC's recent study on "Deep Decarbonization in a High Renewables Future" and in SCE's CPEP whitepaper.

SCE recommends for consideration to calculate GHG Emission Intensity Projections based on marginal generation. This may more appropriately reflect emission savings due to changes in California's demand, because renewable energy generation does not change with California's

demand on an hour-to-hour basis and because it aligns with CPUC's IRP proceeding for the assignment of CAISO system emissions to utilities.

VII. Conclusion

SCE appreciates the Joint Agencies' consideration of these comments and looks forward to continuing its collaboration with the Energy Commission and other stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Catherine Hackney