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Additional submitted attachment is included below.

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November 6, 2019

California Energy Commission
1516 Ninth Street
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Docket 19-SB-100
Submitted via electronic comment system

RE: Comments of the California Farm Bureau Federation on the SB 100 Joint Agency Report: Charting a Path to a 100% Clean Energy Future

The California Farm Bureau Federation[1] ("Farm Bureau") appreciates the opportunity to provide public comments for the SB 100 Joint Agency Report and we look forward to continuing to work with the California Energy Commission (CEC), California Public Utilities Commission (CPUC) and the California Air Resources Board (CARB) throughout its development.

For consideration, Farm Bureau has the following comments:

Significant and Unknown Ongoing Costs to Ratepayers

Farm Bureau is very concerned there has not been enough consideration given to the significant and ongoing costs associated with trying to achieve 100% renewable energy by an arbitrary deadline. As significant energy users, California's farmers, ranchers and other agricultural community members will undoubtedly be asked to bear a significant share of the investment required to make this policy work. Furthermore, we will be forced to incur these costs while there are very real and unanswered questions regarding electrical reliability and future rate stabilization. Grid reliability is not exclusive to public safety power shutoffs (PSPS) but will become a year-round reality for all Californians and should be addressed prior to other strains being added to the system. The California Independent System Operator (CAISO) is projecting a capacity shortfall in 2020 of 2,300 MW, a 2021 capacity shortfall of 4,400 MW and a 2022 shortfall of 4,700.[2] California's commercial, industrial and agricultural electricity rates are already among the highest in the nation. California agriculture competes with other state and international agricultural producers for a place on the world's dinner plate, and these extra costs cannot be passed through to our buyers. The result is a greater reliance on imported commodities that do not have the same regulatory or quality control measures as California agriculture, and increased emissions related to the importation of these commodities, which undercuts California's goals of emission reduction.

[1] The California Farm Bureau Federation is the state's largest farm organization, working to protect family farms and ranches on behalf of its nearly 36,000 members statewide and as part of a nationwide network of more than 5.5 million members. Organized 100 years ago as a voluntary, nongovernmental and nonpartisan organization it advances its mission throughout the state together with its 53 county Farm Bureaus.

[2] California Independent System Operator (CAISO). http://www.caiso.com/Documents/Briefing-Post-2020-GridOperationalOutlook-Presentation-Sep2019.pdf

The decision to achieve carbon free electrical power must also closely examine the costs borne by the utilities, not only relative to electricity procurement and increased demand for new renewable infrastructure capacity, but other competing, costly regulatory mandates associated to wildfire mitigation and infrastructure hardening. The costs associated to decarbonizing California's electrical grid, and the costs associated to improving the safety of the electrical grid cannot be bifurcated, as these are all additional financial obligations potentially recoverable from utility ratepayers. As highlighted in the *2019 Senate Bill 695 Report: Actions to Limit Utility Cost and Rate Increases* by the CPUC:

> "*Rate and bill impacts based on proposed 2019 activities in the IOUs' Wildfire Mitigation Plans […] could result in increases of up to seven percent in monthly bills for some customers. Rate and bill impacts from liability of past wildfires are still unknown, but if ratepayers are required to pay large portions of these costs, rates and bills could dramatically increase beyond the costs of existing programs and wildfire mitigation plans."*[3]

The State of California has two competing priorities that will expose utility ratepayers to significant future rate increases. California utilities are required by law to meet renewable energy procurement requirements and simultaneously improve infrastructure to decrease the risk potential of catastrophic wildfire. These priorities will require ongoing commitments of unknown financial magnitude, and we believe that the implications for costs to customers, and the overall management of the electrical grid from such procurement requirements, will be significant. Coupled with unknown liabilities surrounding utility-caused wildfires and decreasing electrical reliability, we are greatly concerned for California's agricultural enterprises and the unknown electrical rates that will follow.

Increased Opportunity for Additional Clean Energy Resources

Farm Bureau encourages the development and use of all efficient and cost-effective forms of renewable energy, including expanding the use of biomass and properly accounting for California's hydroelectric generation.

The joint agencies must consider expanding electric generation opportunities for both agricultural biomass and biomass generated from California's aggressive vegetation management actions across our forests and wildlands. The pruning and removal of orchards has resulted in agricultural biomass being disposed of in landfills or burned in the open, instead of being converted to energy generation. Unfortunately, over the last decade dozens of biomass facilities have closed and the remaining facilities are running at or near capacity with an over-abundance of trees from California's unmaintained forests.

Adding to the difficulty, California intends to treat upwards of 23 million acres of wildlands via the California Vegetation Treatment Program, and California's utilities are now further required to undertake aggressive vegetation treatment options to protect public safety. The Pacific Gas and Electric Company (PG&E) has estimated that there are more than 100 million trees adjacent to its overhead power lines with the potential to either grow or fall into the lines. The utility also anticipates trimming or fully removing more than one million trees per year.[4] California must adequately prepare and develop the necessary infrastructure capacity to provide for millions of tons of biomass that will be generated from the various

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[3] *2019 Senate Bill 695 Report: Actions to Limit Utility Cost and Rate Increases.* California Public Utilities Commission. Pgs.5-6.

[4] Pacific Gas and Electric Company: Amended 2019 Wildfire Safety Plan. February 6, 2019. https://www.pge.com/pge_global/common/pdfs/safety/emergency-preparedness/natural-disaster/wildfires/Wildfire-Safety-Plan.pdf. Pg. 76.

wildfire mitigation strategies, and for what already exists on the natural. Biomass energy production will help alleviate air quality concerns relative to open-pile burning and increased wildfire propensity, balance grid reliability, increase the availability of electrical power and should be further incorporated into this ongoing effort.

In order for California to achieve the goal of 100% renewable and zero-carbon electrical generation by 2045, SB 100 implementation must account for all renewable energy generation technologies, including California's hydroelectric facilities. This renewable infrastructure already provides more than 13% of California's total energy supply[5] and continues to be arbitrarily dismissed as a designated large hydroelectric generation renewable energy resource for other politically favorable technologies like wind and solar. The SB 100 Joint Agency Report should include the accounting of all renewable energy infrastructure that does not utilize fossil fuels as a source of energy production and do so equally across all renewable generation infrastructure.

Due to the intermittency of both solar and wind technologies, California needs to ensure that there exists adequate electrical supply for base and peak loading electrical needs. As the state moves in the direction of decarbonizing not only electrical generation, but also the transportation and residential housing sectors of California, electrical demand for vehicle charging, residential heating and other related activities will only increase and shift peak demand hours. The SB 100 Joint Agency Report should fully account for the role California's hydroelectric facilities will play in being able to balance electrical demands, but also decrease financial impacts to ratepayers for unnecessarily expanding renewable energy generation from other sources.

Farm Bureau is deeply concerned about the rising costs of electricity and the impact it will have on our industry. As California attempts to manage decreasing electrical reliability and increasing demands for both renewable energy procurement and the needs to protect communities from utility sparked wildfires, Farm Bureau is prepared to participate in those conservations. Thank you for the opportunity to provide comments and we look forward to working with the respective agencies, staff and stakeholders on this effort.

Respectfully,

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[5] California Energy Commission. *California Hydroelectric Statistics and Data 2018.* https://ww2.energy.ca.gov/almanac/renewables_data/hydro/index_cms.php