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CPA Comments on the SB 100 Joint Agency Southern California Scoping Workshop

Additional submitted attachment is included below.



November 12, 2019

California Energy Commission
Docket Unit, MS-4
Re: Docket No. 19-SB-100
1516 Ninth Street
Sacramento, CA 95814-5512

CPA Comments on the SB 100 Joint Agency Southern California Scoping Workshop

I. Introduction

Clean Power Alliance of Southern California (CPA) submits these comments on the *SB 100 Joint Agency Report: Charting a Path to a 100% Clean Energy Future* proceeding, following the Southern California Scoping Workshop held on October 29, 2019. CPA looks forward to working with the Joint Agency initiative to achieve California's decarbonization goals.

CPA is a Community Choice Aggregator (CCA) whose Joint Powers Agency was formed in June 2017 pursuant to the Joint Exercise of Powers Act, California Government Code section 6500 et seq. CPA consists of 31 member agencies, including the Cities of Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Camarillo, Claremont, Carson, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Moorpark, Ojai, Oxnard, Paramount, Redondo Beach, Rolling Hills Estates, Santa Monica, Sierra Madre, Simi Valley, South Pasadena, Temple City, Thousand Oaks, Ventura, West Hollywood and Whittier and the Counties of Los Angeles and Ventura (unincorporated areas).¹

As a load serving entity (LSE) that serves diverse communities with different objectives and valuation for environmental benefits and economic communities, CPA provides three electricity products for its member

¹ CPA will begin to serve Westlake Village in 2020. CPA submitted its initial implementation plan to the California Public Utilities Commission (CPUC) on August 15, 2017 and received certification on November 13, 2017 and has since submitted subsequent addenda to incorporate new member agencies and received certification of the respective addenda.



agencies.² CPA is also planning several distributed energy resource (DER) pilots and programs to achieve the goals of load shifting and transportation electrification.

To help ensure system reliability, CPA intends to develop a diverse portfolio of clean energy resources, including both utility scale resources and DERs. CPA has entered into long term contracts with solar and wind resources, and will have the dispatch rights to its long duration battery storage resources. In response to the California Public Utilities Commission's (CPUC) proposed decision in the integrated resources planning (IRP) proceeding, CPA has already issued a reliability solicitation to procure sufficient carbon-free resources that would also meet the system capacity needed to maintain reliability.

The comments of CPA respond to questions posed in the October 29, 2019 workshop held in Diamond Bar, CA. These questions are:

- How should the SB 100 report approach and address system and local reliability? What key factors should be considered?
- How should issues around equity be addressed?

CPA looks forward to participating in this process and working with staff from all agencies to ensure that the decarbonization strategies in the final report reflect the changing landscape of California's energy market, and that equity goals are embedded in our energy policies.

II. Reliability Planning Needs to Support Innovations

California's energy market continues to evolve, increasing the complexity of resource planning and procurement to achieve state policy goals, including grid decarbonization and maintaining grid reliability. Some of the emerging trends contributing to the complexity include the growth of customer-oriented energy technologies that provide new challenges to load forecasting, and the increasing number of local communities choosing to set up their own local public energy providers. CPA acknowledges the role it has in the energy market's shifting dynamics and is prepared to ensure that its resource procurement will meaningfully contribute to California's environmental policy and reliability goals.

² CPA's three electricity products are Lean Power (36% renewable), Clean Power (50% renewable), and 100% Green Power (100% renewable).



In that spirit, CPA believes that it is important for policies and regulations to acknowledge the ongoing changes, and that while they provide challenges in the planning process, they are overall a positive step toward democratizing the energy market. With access to customer-sited load-modifying or shifting technologies, customers can make informed decisions about their energy consumption to reduce greenhouse gas (GHG) emissions; in turn, customers are empowered to contribute to state policy goals. Similarly, CCAs were founded so that local municipalities and communities can have an active role in grid decarbonization by setting renewable and carbon-free energy procurement targets that exceed the state mandates and respond to local needs more rapidly with customer programs that focus on granular community needs.

Coordination and collaboration between state agencies, electricity providers, local governments, and stakeholders are crucial for reliability planning. Starting with grid planning, the data and assumptions that are inputted into the planning models need to be complete, and there needs to be a transparent process for stakeholders to vet and propose adjustments to the assumptions. CPA understands that this is a significant undertaking and may be time-consuming, but an open planning process is necessary to give LSEs the confidence to procure resources to meet the identified grid needs and minimize the potential of stranded resources due to errors in the analysis.

The Joint Agencies should also ensure that the procurement directives are technology neutral, and establish rules and market mechanisms that can support the deployment of carbon-free resources. CPA acknowledges that many initiatives happening at the Energy Commission, the CPUC, and the California Independent System Operator (CAISO) are attempting to address various challenges associated with the deployment of zero-carbon technologies, and encourages the Joint Agency report to reflect the progress of these initiatives and identify specific technical and policy needs that should be addressed beyond 2021.

III. Equity Issues Should Be at the Core of Reliability and Resource Planning

CPA believes that equity issues, such as benefits to disadvantaged communities (DACs), environmental stewardship, and workforce development should be prioritized in the state's planning efforts, as well as individual energy provider's procurement process.



As a community energy provider, these equity issues are explicitly embedded in CPA's evaluation of resource bids to ensure that its portfolio reflects CPA's commitment to serving the diverse communities in Los Angeles and Ventura counties. The criteria CPA considers are below:

- Workforce development: the construction and maintenance of resources should utilize targeted-hire, union labor, or multi-trade project labor agreements
- Benefits to DACs: the projects located within a DAC should demonstrate workforce and community development benefits
- Environmental stewardship: the projects should demonstrate multiple environmental benefits beyond GHG reduction, such as public health improvement, sustainable economic development, or water savings

As a new CCA, CPA intends to further refine its evaluation criteria and metrics to develop a portfolio that is affordable and reflect the values of its member agencies. The directors of CPA's board, consisting of elected officials of local governments, have provided valuable feedback to CPA's procurement strategy. CPA encourages the Joint Agency effort to include equity measures that have been adopted by local energy providers in its final report to the Legislature.

IV. The Planning for the Decarbonization Transition Should be Transparent

As stated above, CPA strongly encourages the Joint Agency to set the tone for a collaborative process where stakeholders and the energy agencies can plan for a carbon-free grid in a transparent manner. It is especially important for the regulators and the CAISO to provide clear policy and market signals to incentivize carbon-free resources that can meet reliability needs.

For some time, regulators and stakeholders have been grappling with the State's plan to phase out the existing fossil fleet, and it is still unclear what the different pathways are to achieve such goals. CPA encourages the Joint Agency to provide a "strawman" proposal, conduct a series of workshop to revise the proposal and develop a viable blueprint in the final report. In developing the proposal, the Joint Agency should consider: 1) whether there are emitting resources that will be deemed necessary in the long run, and how to minimize impacts of those resources on surrounding communities; 2) ways to minimize ratepayer impact when retiring emitting resources.



V. Conclusion

CPA appreciates the Joint Agency's effort in organizing the Southern California workshop and other efforts to incorporate stakeholders' feedback. CPA looks forward to collaborating with the Joint Agency to develop a vision and pathway to achieve the goals of SB 100.

Sincerely,

C.C. Song
Director of Regulatory Affairs
Clean Power Alliance of Southern California