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SCE Comments on SB 100 Technical Workshop

Additional submitted attachment is included below.



Catherine Hackney
Director, Regulatory Affairs

December 2, 2019

California Energy Commission
Docket Office, MS-4
Re: Docket No. 19-SB-100
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. 19-SB-100: SB 100 Technical Workshop

Dear Commissioners:

On November 18, 2019, the California Energy Commission (CEC), the California Public Utilities Commission (CPUC) and the California Air Resources Board (CARB) jointly conducted the *SB 100 Technical Workshop* (Workshop) to discuss technologies and inputs for technical analysis to inform the joint agency report required by Senate Bill (SB) 100, the "100 Percent Clean Energy Act of 2018" (de León, Chapter 312, Statutes of 2018). Staff from CEC and CARB presented a plan for the SB 100 analysis, including a discussion of resource eligibility under SB 100's goal of zero-carbon electricity by 2045. Panelists then covered existing directional studies, including Southern California Edison's (SCE's) *Pathway 2045* study.¹

Based on the joint agencies' presentations at the Workshop, the SB 100 report will address some of SCE's recommendations from its November 12th comments on the *Southern California SB 100 Scoping Workshop*.² For example, SCE is pleased to hear that the report's quantitative analysis will incorporate California's economy-wide climate goals and include a focus on reliability. SCE encourages the joint agencies to consider the remainder of SCE's November 12th comments as the agencies move forward with developing the SB 100 report.

SCE appreciates the opportunity to submit comments on the Workshop, which are summarized here and described in more detail below:

- The joint agencies should establish a technical working group for the SB 100 report.
- SCE supports CARB's Resource Scenario 1 for eligibility under SB 100.

¹ SCE's *Pathway 2045: Update to the Clean Power and Electrification Pathway* can be found at <https://www.edison.com/home/our-perspective/pathway-2045.html>.

² SCE's November 12th comments on the *Southern California SB 100 Scoping Workshop* can be found at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=230612&DocumentContentId=62203>.

I. The joint agencies should establish a technical working group for the SB 100 report.

SCE applauds the joint agencies for establishing a robust public process for development of the SB 100 report, including several workshops through spring 2020. SCE recommends the joint agencies also establish a forum for technical discussions and consensus-building on the analytical efforts underlying the SB 100 report. The joint agencies utilize such forums in other efforts, which could provide a model for the SB 100 report. For example, CEC uses the Demand Analysis Working Group (DAWG) to support development of the California Energy Demand Forecast; CPUC uses the Modeling Advisory Group (MAG) to support development of Integrated Resource Plans; and CARB uses staff workshops and working groups to support development of its regulations and investment plans. This will provide an opportunity for staff from the joint agencies and stakeholders to discuss technical details behind the SB 100 report, which will promote transparency and support swift report approval by the joint agencies before it is sent to the legislature.

II. SCE supports CARB's Resource Scenario 1 for eligibility under SB 100

The joint agencies should adopt CARB's Resource Scenario 1, which defines eligible electricity resources under SB 100 to include current Renewable Portfolio Standard (RPS) resource types (e.g., solar, biomass), and other zero-emission resources such as large hydroelectric, nuclear generation, natural gas generation with carbon capture system (CCS) where greenhouse gas emissions equals zero, and any other future resource that does not emit greenhouse gases.

As CARB stated in its presentation at the Workshop, Resource Scenario 1 “aligns with the current RPS resource types and additional generation types that count as zero fossil emissions under the State’s greenhouse gas inventory.”³ SCE agrees that eligibility under SB 100 and RPS should be aligned. For example, CARB’s Resource Scenario 2 for SB 100 eligibility would not allow for resources that combust fuel, including biomass and biogas resources. However, current rules allow for biomass and biogas resources to count towards RPS requirements. Therefore, Resource Scenario 2 could lead to two negative procurement-related outcomes: (1) a Load Serving Entity (LSE) might need to procure additional eligible resources to satisfy two different accounting methodologies, potentially resulting in over-procurement; or (2) an LSE might not choose to procure biomass and biogas resources due to conflicting accounting methodologies, biasing resource planning decisions towards resources that are eligible for both SB 100 and RPS.

Moreover, Resource Scenario 1 allows for a larger pool of eligible resources, which has the additional benefit of promoting flexibility and resource diversity. Greater flexibility in California’s pursuit of SB 100’s goal will stimulate innovation across a broad set of resources, allowing California to promote potential decreases in costs for both existing and emerging technologies. At the same time, resource diversity allows California to hedge against potential operational constraints and higher costs associated with a resource portfolio concentrated on a limited set of technologies. SCE’s *Pathway 2045* study⁴ demonstrates the importance of resource

³ CARB’s presentation from the Workshop can be found at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=230752>.

⁴ SCE’s *Pathway 2045: Update to the Clean Power and Electrification Pathway* can be found at <https://www.edison.com/home/our-perspective/pathway-2045.html>.

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diversity in meeting our decarbonization goals for 2030 and 2045, including SB 100's goal of zero-carbon electricity by 2045. For example, *Pathway 2045* shows that until alternative cost-effective technologies exist to provide grid services and energy when intermittent renewables are unavailable, natural gas and low-carbon fuels are necessary to maintain reliability and affordability.

III. Conclusion

SCE thanks the joint agencies for consideration of the above comments and looks forward to its continued partnership with stakeholders in the development of the SB 100 joint agency report. 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