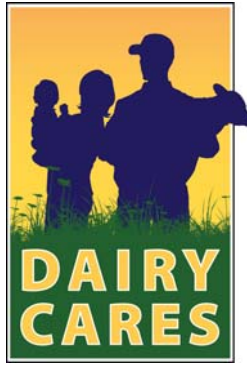


<b>DOCKETED</b>	
<b>Docket Number:</b>	19-SB-100
<b>Project Title:</b>	SB 100 Joint Agency Report: Charting a path to a 100% Clean Energy Future
<b>TN #:</b>	232359
<b>Document Title:</b>	Dairy Cares Comments on SB 100 Modeling Inputs and Assumptions Workshop
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Dairy Cares
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	3/9/2020 4:22:03 PM
<b>Docketed Date:</b>	3/9/2020

*Comment Received From: Dairy Cares  
Submitted On: 3/9/2020  
Docket Number: 19-SB-100*

**Dairy Cares Comments on SB 100 Modeling Inputs and Assumptions Workshop**

*Additional submitted attachment is included below.*



## **Dairy Cares Comments on the February 24<sup>th</sup>, 2020 SB 100 Modeling Inputs and Assumptions Workshop**

**19-SB-100**

March 9, 2020

Dairy Cares<sup>1</sup> is pleased to provide these comments in response to the February 24<sup>th</sup> SB 100 Modeling Inputs and Assumptions Workshop (“the Workshop”). Dairy Cares encourages the Joint Agencies to not adopt “No Combustion” option for zero-carbon resource eligibility. The No Combustion option would conflict with other State emission reduction initiatives and would hinder the State in meeting SB 100’s mandates. Dairy Cares appreciates the recognition in the staff presentation that many commenters have recommended that the Joint Agencies “not be prescriptive,” “maximize optionality,” and “be technology inclusive.” These sentiments were reflected in the workshop with panelists and public commenters from all industry sectors opposing the No Combustion option.

The No Combustion option would exclude resources too early in the SB 100 process. A topic of discussion in Session 3: Additional Perspective for SB 100 Analysis was the necessity of short-term, no-regret steps. SB 100 sets aggressive goals that will challenge the Joint Agencies to determine the right portfolio of resources to promote emission reductions, reliability, and affordability. Current modeling is limited in its ability to predict the optimal resources twenty-five years in the future. Excluding combustion resources would send a negative signal to the market and prevent innovative technologies from being developed to further SB 100’s goals. The Joint Agencies should enable resource diversity as it models the SB 100’s mandates.

The No Combustion option may also undermine that State’s existing efforts to achieve other statutory requirements, such as SB 1383, the Short Lived Climate Pollutant Law (“SLCP”). The No Combustion option would exclude resources that reduce net emissions and that would otherwise facilitate the achievement of the SB 1383 emission reduction targets. In adopting SLCP goals in SB 1383, the Legislature declared “[r]educing emissions of these pollutants can have an immediate beneficial impact on climate change and on public health.” Through

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<sup>1</sup> Formed in 2001, Dairy Cares ([www.dairycares.com](http://www.dairycares.com)) is a coalition of California’s dairy producer and processor organizations, including the state’s largest trade associations representing dairy farmers (*California Dairy Campaign, California Farm Bureau Federation, Milk Producers Council and Western United Dairymen*), other cattle ranchers (*California Cattlemen's Association*) and the largest milk processing companies and cooperatives (including *California Dairies, Inc., Dairy Farmers of America-Western Area Council, Hilmar Cheese Company, and Land O' Lakes, Inc.*), and others with a stake in the long-term environmental and economic sustainability of California dairies.

programs like the BioMAT program, eligible projects can reduce net emissions through various bioenergy products. Moreover, utilities have ratebased the costs of combusting RPS eligible fuels. A disconnect between SB 100 and other programs like SB 1383 that encourage the use of bioenergy would leave ratepayers with stranded costs.

During the second session of the February 24<sup>th</sup> workshop, the balancing authority panelists expressed the necessity of flexible and dispatchable generation to maintaining reliability. As the State’s energy resource portfolio trends towards heavy reliance on solar and wind generation, non-intermittent resources will become increasingly valuable. In considering ways to address the challenge of moving away from gas resources, the California Independent System Operator (“CAISO”) suggested strategically maintaining the gas fleet during this time of resource transition.<sup>2</sup> Additionally, the CAISO suggested “consider[ing] and implement[ing] plans that ensure local capacity areas maintain reliability before shutting down local gas resources.”<sup>3</sup>

For these reasons, Dairy Cares encourages the Joint Agencies to “not be prescriptive,” “maximize optionality,” and “be technology inclusive” and not adopt a No Combustion option as the recommended scenario in the SB 100 Report.

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<sup>2</sup> See CEC SB 100 Webpage, *Presentation by Delphine Hou, California Independent System Operator*, (Feb. 24, 2020), slide 6, available at: [file:///C:/Users/christianb/Downloads/TN232217\\_20200225T102136\\_%20Planning%20for%20reliability%20and%20resource%20adequacy%20under%20SB100%20-%20California%20IS%20\(1\).pdf](file:///C:/Users/christianb/Downloads/TN232217_20200225T102136_%20Planning%20for%20reliability%20and%20resource%20adequacy%20under%20SB100%20-%20California%20IS%20(1).pdf).

<sup>3</sup> See CEC SB 100 Webpage, *Presentation by Delphine Hou, California Independent System Operator*, (Feb. 24, 2020), slide 6, available at: [file:///C:/Users/christianb/Downloads/TN232217\\_20200225T102136\\_%20Planning%20for%20reliability%20and%20resource%20adequacy%20under%20SB100%20-%20California%20IS%20\(1\).pdf](file:///C:/Users/christianb/Downloads/TN232217_20200225T102136_%20Planning%20for%20reliability%20and%20resource%20adequacy%20under%20SB100%20-%20California%20IS%20(1).pdf).