

DOCKETED

Docket Number:	19-SB-100
Project Title:	SB 100 Joint Agency Report: Charting a path to a 100% Clean Energy Future
TN #:	234792
Document Title:	Brian Theaker Comments - 19-SB-100 (SB 100 Joint Agency Report) - Middle River Power, LLC Comments on 9220 Workshop
Description:	N/A
Filer:	System
Organization:	Brian Theaker
Submitter Role:	Public
Submission Date:	9/16/2020 9:36:12 AM
Docketed Date:	9/16/2020

*Comment Received From: Brian Theaker
Submitted On: 9/16/2020
Docket Number: 19-SB-100*

**19-SB-100 (SB 100 Joint Agency Report) - Middle River Power, LLC
Comments on 9220 Workshop**

Additional submitted attachment is included below.



September 15, 2020

California Energy Commission
Docket Office, MS-4
Re: Docket No. 19-SB-100
1516 Ninth Street Sacramento, CA 95814-5512
Via e-mail to docket@energy.ca.gov

Re: Middle River Power, LLC Comments on September 2, 2020 SB 100 Workshop

Dear Commissioners:

Middle River Power, LLC (“MRP”) respectfully submits these comments on the September 2, 2020 Joint Agency SB 100 Draft Results Workshop and the draft results themselves. The draft results confirm prior analyses that indicate that (1) gas-fired generation (“GFG”) will continue to play an important role in ensuring affordable and reliable electric supply in an increasingly carbon-free California, and (2) retaining GFG, which will produce less energy but which will remain a dependable capacity resource as more zero-carbon resources are added to the system, will not undermine California’s carbon reduction goals, but will facilitate using the electric sector to reliably and affordably decarbonize other economic sectors that produce far more carbon than the electric sector.

First, MRP acknowledges and appreciates the significant work by staff and Energy and Environmental Economics (“E3”) that went into developing the draft results.

Second, MRP notes that the draft SB 100 results are similar to the results of E3’s 2019 Long Run Resource Adequacy analysis (“2019 LRRRA Analysis”),¹ namely, both analyses retain significant amount of gas-fired generation (“GFG”) capacity through SB 100’s 2045 target date:

- The SB 100 core analyses retain approximately 29 GW of GFG capacity;²
- The SB 100 “Zero Carbon Firm Resource” analyses retain approximately 24-25 GW of GFG capacity;³ and
- The 2019 LRRRA High Electrification analysis retains 25 GW of GFG capacity.⁴

These analyses demonstrate that retaining GFG capacity to maintain the reliability of California’s electric supply system does not undermine California’s ability to meet its carbon reduction targets – an encouraging finding, given the reality that California will very likely rely heavily on electrification to drive carbon out of other economic sectors, such as buildings and transportation, that produce far more carbon emissions than the electric sector, and therefore will require the electric sector to be dependably reliable and affordable. As additional carbon-free resources come on-line, the amount of energy (and the amount of carbon emissions) produced by GFG will continue to decline, which will allow California to

¹ See June 2019 E3 *Long-Run Resource Adequacy under Deep Decarbonization Pathways for California*, available at https://www.ethree.com/wp-content/uploads/2019/06/E3_Long_Run_Resource_Adequacy_CA_Deep-Decarbonization_Final.pdf.

² *TN23459_20200901T145902_Presentation – SB 100 Draft Results* (“SB 100 Draft Results Presentation”), available at <https://efiling.energy.ca.gov/getdocument.aspx?tn=234549>, at slide 26.

³ SB 100 Draft Results Presentation at slide 30.

⁴ 2019 LRRRA Analysis at page 42.

meet its increasingly stringent carbon emissions targets. At the same time, retaining GFG capacity and its flexibility and duration attributes will help maintain the reliability of the electric supply system to supply the demand that the SB 100 analysis projects will steadily increase.⁵

Third, MRP observes that, while directionally consistent, the 2019 LRRRA Analysis and the SB 100 draft results show significant differences in cost. For example, the “no combustion” scenario examined in the 2019 LRRRA Analysis projected an annual cost of \$174 billion,⁶ while the “no combustion” SB 100 scenario projected an annual total resource cost of \$74 billion.⁷ One possible explanation for this difference is that the 2019 LRRRA Analysis relied on long-duration storage and solar to replace combustion resources, while the SB 100 analyses relied, in significant part, on “zero carbon firm” resources.⁸ Understanding the cost differences will help parties have confidence in the analyses.

In sum, MRP commends the joint agency staff and E3 for conducting and presenting this informative and insightful analysis. The results reinforce that conclusion that GFG can and should play an ongoing, important role in supporting the electric supply system as it both decarbonizes and is increasingly leveraged to reduce carbon in other more carbon-affecting economic sectors.

Respectfully submitted,

/s Brian Theaker /

Brian Theaker
Director, Western Regulatory and Market Affairs
Middle River Power, LLC
4350 Executive Drive, Suite 320
San Diego, CA 92121-2118

⁵ GFG currently provides a substantial fraction of the energy that serves demand across high demand days. According to data provided by the California Independent System Operator Corporation (see <http://www.caiso.com/TodaysOutlook/Pages/supply.html>), GFG provided well more than half of the energy used to serve demand during the recent high demand days (August 14-18 and September 6 and 7).

⁶ *Id.*

⁷ SB 100 Draft Results Presentation at slide 36.

⁸ SB 100 Draft Results Presentation at slide 35.