

DOCKETED	
Docket Number:	18-IRP-01
Project Title:	Integrated Resource Plan
TN #:	246150
Document Title:	SMUD Comments Re IRP Draft Guidelines - LEG 2022-0134
Description:	N/A
Filer:	System
Organization:	SMUD
Submitter Role:	Public Agency
Submission Date:	9/19/2022 4:05:45 PM
Docketed Date:	9/19/2022

*Comment Received From: Nicole Looney
Submitted On: 9/19/2022
Docket Number: 18-IRP-01*

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Additional submitted attachment is included below.

**STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the matter of:)	Docket No. 18-IRP-01
)	
Integrated Resource Plan)	SMUD Comments Re:
)	Draft Commission Guidelines –
)	Publicly Owned Utility Integrated
)	Resource Plan Submission and
)	Review
)	
)	September 19, 2022

**Comments of SACRAMENTO MUNICIPAL UTILITY DISTRICT on Draft Commission
Guidelines – Publicly Owned Utility Integrated Resource Plan Submission and
Review**

The Sacramento Municipal Utility District (SMUD) appreciates the opportunity to provide comments to the California Energy Commission (CEC) on the *Draft Commission Guidelines – Publicly Owned Utility Integrated Resource Plan Submission and Review* (“Draft Guidelines”) published on August 5, 2022.

SMUD strongly supports the state’s efforts to reduce greenhouse gas (GHG) emissions and is committed to taking a holistic approach to address climate change, both of which are reflected in our Integrated Resource Plan (IRP) development and planning processes. In July 2020, SMUD’s Board of Directors signed a climate emergency declaration, which directed staff to develop a plan to completely decarbonize our electricity supply by 2030 in an equitable, affordable, and reliable manner. During 2020 and 2021, SMUD staff conducted a comprehensive public process with our customers, industry, and guidance from our Board of Directors to develop our 2030 Zero Carbon Plan, which our Board of Directors formally adopted as our updated IRP on June 16, 2022, and which we filed with the CEC on September 14, 2022.

SMUD believes the success of the IRP process derives in part from its structure – Public Utilities Code section 9621 establishes objectives for the governing boards of publicly owned electric utilities (POUs) while providing implementation flexibility, and the CEC’s IRP Guidelines describe the informational reporting needed to assess consistency with the statutory direction. This structure is important because it acknowledges both the diversity of POUs and our unique positioning, as local public agencies, to engage our communities in resource planning and reflect their preferences.

SMUD encourages the CEC to keep this framework in mind while considering updates to the IRP Guidelines to streamline the IRP submission and review process and incorporate the requirements of Senate Bill 437.

We offer the following specific recommendations on the Draft Guidelines for clarity and to ensure consistency with the underlying IRP framework:

- Clarify the applicability of newly proposed requirements in the Draft Guidelines and address circumstances in which POU's have already started their IRP update process. POU's should not be required to submit updated IRPs or supplemental IRP filings simply because new IRP Guidelines have been adopted.
- Clarify that any newly proposed analysis or reporting that goes beyond the scope of PUC section 9621, including a post-2030 planning horizon and new reporting on interconnection processes, are *recommendations*, not requirements. Alternatively, SMUD recommends the CEC remove these proposed requirements.
- Make draft versions of Standardized Forms available for stakeholder review prior to the Commission's adoption of the proposed Draft Guidelines.

SMUD also supports the comments of the California Municipal Utilities Association dated September 19, 2022.

1. The Draft Guidelines should clarify the effective date of newly proposed requirements in the IRP Guidelines to accommodate circumstances in which POU's have already commenced the process of updating their IRPs.

Consistent with the current version of the CEC's IRP Guidelines, the Draft Guidelines include a proposed effective date upon adoption by the CEC. SMUD appreciated the confirmation at the July 27, 2022, workshop that the changes proposed in the Draft Guidelines would apply only to IRP updates adopted after the effective date of the new Guidelines. However, we agree with the recommendations raised by other POU's that the CEC should specify a later effective date for any newly proposed requirements that would affect the POU's IRP modeling and public engagement efforts, as the appropriate time to respond to such requirements would be in the planning stage for the POU's next IRP update.

Preparing an IRP update is a multiyear process that takes significant resources and requires the scope and assumptions for modeling (i.e., forecasts, outputs, analysis, and/or conclusions) to be set well before the update is presented to and considered by the POU governing board. SMUD shares the concern voiced by several POU's that newly proposed requirements in the CEC's IRP Guidelines could cause significant disruptions for POU's whose IRP update processes are already well underway. SMUD agrees with the recommendations made by CMUA that each update to the Commission's Guidelines specify a reasonable future effective date after the adoption by the Commission. At minimum, however, the IRP Guidelines should clarify that the effective date is tied to the IRP adoption or development process, not the date of the filing to the CEC.

Finally, with respect to updates to POU IRPs, SMUD appreciates that at present, the Draft Guidelines appropriately reflect the applicable statutory framework. Public Utilities Code section 9621(b) requires that each affected POU must adopt an initial IRP by January 1, 2019, and then update that plan at least once every five years after that.

This means each time a POU's governing board adopts an updated IRP, the five-year cycle starts over. The statute does not require POU's to update their IRPs or submit supplemental IRP filings when new IRP Guidelines have been adopted by the CEC. This allows for the cadence of local planning to remain at the discretion of local governing boards. SMUD strongly supports the flexibility that this approach gives our governing body. SMUD's Board has used this flexibility to direct staff to develop SMUD's 2030 Zero Carbon Plan nearly 2 years earlier than our previous plan proposed. Continuing this flexibility is vital to the success of our plan. Between plans, SMUD must implement the plan and advance technology assessments for the next round of planning. SMUD appreciates the Draft Guidelines' consistency with this framework and encourages staff to ensure it continues to be reflected in these and future iterations of the Guidelines.

2. Clarify that any newly proposed analyses or reporting that exceeds the scope of PUC section 9621, including the post-2030 planning horizon and interconnection reporting is a *recommendation*, not a requirement.

SMUD urges the CEC to revise the Draft Guidelines to ensure that any newly proposed reporting or analyses that are outside the limited scope of PUC Section 9621 are clearly identified as recommendations, not requirements. As noted above, Public Utilities Code section 9621 clearly sets forth the requirements for POU IRPs, and the CEC's role in developing IRP Guidelines is specific to describing the information needed to evaluate consistency with the statutory requirements. However, the Draft Guidelines propose extending the IRP planning horizon until 2045 and requiring new reporting on distribution system interconnections, as further described below.

2045 planning horizon. Public Utilities Code Section 9621 requires POU's to demonstrate compliance with 2030 targets but does not contemplate a planning horizon beyond 2030. SMUD urges the CEC to clarify that the extension of any post-2030 planning horizon is a *recommendation*, not a requirement, or remove the requirement entirely. This is necessary to ensure consistency with PUC Section 9621. Moreover, it is unlikely that extending the forecasting horizon through 2045 would result in meaningful insights for many utilities. Twenty-year forecasts are difficult to generate, introduce significant uncertainty, and will likely be of very limited value, particularly given dynamic weather conditions and rapidly evolving technology. For SMUD, these types of studies may illustrate just one possible pathway to achieving our goals.

If the CEC's goal is to understand how POU's are incorporating—or will incorporate—the State's long-term goals into utility long-term planning, we suggest that this might be better accomplished through a recommended narrative section that would allow a POU to describe local efforts to achieve the state's 2045 goals.

Reporting on distribution system interconnection requirements. Public Utilities Code section 9621 requires that POU IRPs demonstrate how the POU will meet the goal of strengthening the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities. The Draft Guidelines introduces a new requirement (chapter 2 subsection K.2.c.) for POUs to provide “information on interconnection requirements, processes, queues, and studies to enable additional distributed energy resources.” This information is not supported by recent statutory changes, nor has the CEC demonstrated how this information is needed to evaluate POU IRPs’ consistency with the statutory requirements, specifically “the goal of strengthening the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities.” We therefore recommend clarifying this reporting is recommended, not required, or striking this new requirement from the Draft Guidelines altogether.

3. Draft versions of the standardized tables should be made available for stakeholder review prior to the Commission’s adoption of the proposed Draft Guidance.

The updated versions of the standardized tables that POUs include in their IRP filings should be made publicly available well in advance of the Commission’s adoption of the proposed Draft Guidelines. This will give stakeholders the opportunity to review the standardized tables and provide valuable feedback to the Commission. Stakeholder review and input is likely to improve the reporting process, help identify potentially redundant regulatory filings, and reduce the likelihood of problems being identified late in the IRP submission process.

Conclusion

As California moves toward a zero-carbon future, coordination between utilities and state agencies becomes ever more important, and collaboration will be vital to ensuring we reach the state’s goals at the lowest levelized cost to consumers. SMUD appreciates the opportunity to provide these comments on the Draft Guidelines, and we look forward to continuing to work with staff throughout this process.

/s/

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