DOCKETED	
Docket Number:	21-ESR-01
Project Title:	Energy System Reliability
TN #:	250420
Document Title:	San Diego Gas & Electric (SDG&E) Comments - Comments on the May 17, 2023, Summer Electric Reliability Workshop
Description:	N/A
Filer:	System
Organization:	San Diego Gas & Electric (SDG&E)
Submitter Role:	Public
Submission Date:	5/31/2023 4:37:13 PM
Docketed Date:	5/31/2023

Comment Received From: San Diego Gas & Electric (SDG&E)
Submitted On: 5/31/2023
Docket Number: 21-ESR-01

Comments on the May 17, 2023, Summer Electric Reliability Workshop

Additional submitted attachment is included below.

Sarah M. Taheri
Regulatory Affairs Manager

925 L Street, Ste. 650
Sacramento, CA 95814

phone: 916.708.7409
email: STaheri@sdge.com

May 31, 2023

California Energy Commission
Docket Unit, MS-4
Docket No. 21-ESR-01
715 P Street
Sacramento, CA 95814

RE: SDG&E Comments on the May 17, 2023, Summer Reliability Workshop (Docket No. 21-ESR-01)

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to provide comments in response to the California Energy Commission (CEC) workshop held on May 17, 2023, regarding summer reliability. Following the discussion during the workshop, SDG&E respectfully offers the below feedback for consideration.

I. Maintaining electric reliability is essential for advancing progress toward decarbonization goals. SDG&E is proud to have received national recognition for 17 consecutive years as #1 in Outstanding Reliability Performance in the West Region by PA Consulting ReliabilityOne®.[1] Maintaining a clean, safe, and reliable power grid is the foundation of SDG&E's day-to-day operations and a commitment it makes to its customers.

SDG&E appreciates the engagement from the CEC, California Public Utilities Commission (CPUC), California Independent System Operator (CAISO) and other state agencies during the workshop. The presence of these important policymakers sent a strong signal that the State recognizes the importance of electric reliability. Indeed, reliable electricity will be instrumental in supporting the State's ability to achieve decarbonization goals that include more electric vehicles and appliances.

SDG&E's Efforts to Drive Resilient Operations

In addition to the important, ongoing wildfire mitigation and infrastructure maintenance work that SDG&E completes, the company is actively pursuing further opportunities to increase resiliency in its service area. At the close of 2022, SDG&E had completed 95 megawatts (MW) of utility-owned storage

[1] https://www.paconsulting.com/industries/energy-and-utilities/reliabilityone-2022

projects—enough to serve 64,000 homes for four hours. SDG&E has an additional 250 MW of additional utility-owned storage capacity in development. SDG&E's projects can be dispatched to balance energy demand and supply on the grid, supporting reliability needs.

SDG&E continues to offer programs that incentivize its residential and commercial customers to reduce load during grid emergencies. In 2022, nearly 600,000 residential customers enrolled in SDG&E's Power Saver Rewards Program, which provides a $2 bill credit for every kilowatt hour of electricity saved during a CAISO-declared grid emergency. Additionally, SDG&E saw record participation from commercial customers in its Emergency Load Reduction Program (ELRP). For 2023, SDG&E will be expanding its ELRP to include all of its commercial customers below 50 kW.

II. **Continued coordination between energy and water agencies is necessary to ensure that reliability assessments account for increased pump load as well as increased hydroelectric generation.** As was discussed and acknowledged during the workshop, the information presented by CAISO noted the potential benefits that high hydro conditions could bring for increased hydroelectric generation. However, the analysis may need further refinement to ensure that it is sufficiently incorporating the significant increases in water pump load expected (as covered by Department of Water Resources) as a result of released restrictions on water deliveries. SDG&E encourages the water agencies to coordinate with the CEC and CAISO to ensure that the state is taking a complete view of the impacts of high hydro conditions. Without understanding such analysis, the benefits of high hydroelectric generation may be overstated.

III. **Additional policy actions can be taken to align the pace of resource and infrastructure development with anticipated load growth.** In 2022, SDG&E published "The Path to Net Zero: A Decarbonization Roadmap for California," ("Roadmap") the first analysis to model economywide California decarbonization utilizing industry modeling software to apply the industry standard for electric system reliability through 2045.[2] In addition to providing stakeholder recommendations on policy and regulatory strategies to help the state meet its climate goals, the study identified the need for a diversified approach to decarbonization—a combination of clean electricity, clean fuels (such as renewable natural gas and clean hydrogen) and carbon removal.

SDG&E supports the State-funded investments in, and planning for, contingency resources. Because the need for such resources may continue into the next several years, SDG&E encourages further policy action to facilitate the historical investments in energy infrastructure that are needed to achieve climate goals while maintaining reliable power.

Incorporating Electric Reliability in Long-Term State Energy Planning

[2] The published Roadmap is available at: www.sdge.com/netzero.

State agencies and load serving entities that are evaluating future electric generation should apply the industry reliability standard when assessing decarbonization options through 2045. A reliable energy system is essential for California, its residents and its economy—and must be a cornerstone of decarbonization studies such as the joint agency updates to the SB 100 Report. Achieving electric reliability will require fair compensation to providers of reliability services, developing new methods for assessing reliability in light of future uncertainties, and reforming transmission planning processes. This includes using electricity demand forecasts aligned with state goals in planning processes and timely approval of long-lead transmission projects to accommodate increasing electrification.

Fostering Technology Inclusive Clean Energy Solutions

Adopting a technology-inclusive definition of clean energy that satisfies the provisions of SB 100 should enhance reliability and affordability. Technologies such as blending hydrogen into the fuel mix for natural gas generators or natural gas generation with CCS can enable California to meet its interim emissions goals and help ensure reliability. As part of the process in updating the SB 100 report by January 2025, the CEC and joint agencies should include a fuel-agnostic definition of clean energy that includes a diverse set of technologies.

Enabling Deployment of Decarbonization Infrastructure

As a growing number of California residents adopt electric vehicles and electric space and water heaters, the electric system must be ready to provide increasing amounts of clean and reliable electricity. Obstacles to approving, siting, permitting and interconnecting decarbonization technologies can prevent or slow the pace of decarbonization. Federal, state and local policymakers can:

1. Enable faster infrastructure development by updating planning efforts for clean electricity and fuels.
2. Simplify and accelerate regulatory reviews.
3. Authorize land use for decarbonization technologies.
4. Increase access to federal- and state-controlled rights-of-way.
5. Simplify the processes to use or cross federal lands.
6. Develop planning processes for new types of infrastructure, such as the production and distribution of clean hydrogen.

These actions will be critical to interconnect new electric generation capacity and to mobilize investments in transmission and distribution within California and across the Western U.S. SDG&E is closely monitoring and engaging in discussions on these issues as policymakers and stakeholders work toward developing solutions.

Incentivizing Innovation and Adaptability

SDG&E encourages the CEC to continue its support of research, development and demonstration efforts that facilitate the deployment of decarbonization technologies at an affordable cost. Incentivizing pilots, demonstration projects and large-scale deployments will help meet an increasingly rapid pace of decarbonization. The State should keep a forward-looking view and create supportive policy frameworks for promising technologies, such as clean hydrogen and Carbon Capture and Storage (CCS), that can be valuable for supporting electric reliability.

Conclusion

Thank you for considering SDG&E's comments. SDG&E stands ready to work alongside the state's energy agencies and the CAISO to ensure electric reliability this summer and going forward.

Please do not hesitate to contact me should you have any questions or wish to discuss any of the information provided in greater detail.

Sincerely,

Sarah M. Taheri

Sarah M. Taheri
Regulatory Affairs Manager