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Comments on Net Energy Impacts

Additional submitted attachment is included below.



California Wind Energy Association

April 30, 2024

California Energy Commission
Docket No. 23-SB-100
715 P Street
Sacramento CA 95814

Via 23-SB-100 e-commenting page

**Re: Comments Following April 16, 2024, Workshop on Non-Energy Impacts
for the Joint Agencies' SB 100 2025 Report**

The California Wind Energy Association (CalWEA) appreciates this opportunity to elaborate on the brief public comments that we made at the April 16, 2024, Net Energy Impacts Workshop, which will inform the Joint Agencies' 2025 SB 100 Report.

Summary

CalWEA very much appreciated the presentations of agency representatives and other workshop participants, which made clear that simply achieving our SB 100 goals cost-effectively is delivering major public benefits both generally and in disadvantaged communities (DACs). We urge the Joint Agencies to heed the advice that was given not to chase societal benefits that don't move the needle in relation to these benefits, and to be prudent about what additional social benefits to pursue, given the importance of energy affordability.

CalWEA maintains that studying the land-use benefits associated with a more resource-diverse portfolio are likely to be substantial, and thus worthy of attention in this process. We continue to advocate that more attention be given to this topic. Related, the planned evaluation of a high level of distributed energy resources (DERs) should also include study of a lower level of DERs and should include a review of the total capacity and raw materials that may be associated with a high-DER (high solar/battery) scenario.

Lastly, we urge the Joint Agencies to ensure that parties will be provided with technical assistance as necessary in using the REGEN model to conduct evaluations not undertaken by the Commission to provide further insights into this Joint Agency endeavor.

Discussion

Achieving California’s SB 100 goals is delivering major health benefits. Bonnie Holmes-Gen of the Air Resources Board discussed the ARB’s health benefits analyses at the workshop. She stated that “vast benefits [are] associated with decarbonization.” Specifically, ARB analyzed the co-pollutant health benefits of greenhouse gas reductions associated with the ARB’s SB 100 Scoping Plan for 2035 and 2045, ranging from respiratory and cardiac problems to lost workdays and premature deaths, finding that the monetized value of these health benefits was nearly \$200 billion in 2045, of which \$61 billion were in disadvantaged communities.

CPUC processes implementing portions of the Scoping Plan are securing those health benefits. As the CPUC’s Dan Buch explained at the workshop, the IRP process is delivering record levels of new clean energy procurement to achieve the state’s clean energy goals. As noted on slide 2 of Mr. Buch’s presentation, use of gas plants in the CAISO system is expected to decrease 71% by 2035, and 90% by 2039 (from 2024 modeled usage), while entirely retiring some gas capacity. CPUC-jurisdictional LSEs are also required to demonstrate how they are minimizing localized air pollutants, including in DACs.

The Joint Agencies should avoid chasing social costs that don’t move the needle. The CPUC’s Buch explained that the CPUC has conducted a “Societal Cost Test” that shows that accounting for broader societal benefits did not lead to significant changes in procurement between supply-side and distributed resources because both are clean energy resources that avoid air pollutants and reduce GHGs. Buch advised that, in this process of looking at non-energy impacts, we should consider whether its “worth doing all the work to show no difference on the questions of interest.” Buch also noted that the CPUC already supports a number of ratepayer-funded programs that provide societal benefits, which put pressure on electric service affordability which, in turn, deters electrification.

NRDC’s Mohit Chhabra further emphasized the point that simply achieving SB 100 goals at least cost brings substantial benefits and advised that, when we deviate from the least-cost path to achieve non-energy benefits, we should not pay more than necessary to obtain those benefits, and we should be prudent about what additional impacts to go after, how much to pay for those benefits, and how to pay for them.

CalWEA appreciates the above remarks and encourages the Joint Agencies to heed the advice provided by studying resource changes that have the potential to bring substantial non-energy benefits and, if the associated costs are substantial, to find ways of paying for them other than through electricity rates.

Land-use and related impacts associated with different resource mixes are likely to be a significant driver of non-energy benefits. CalWEA’s September 5, 2023, and February 15, 2024, comments in this process provided evidence that greater resource diversity substantially reduces the total capacity needed to achieve SB 100 goals at relatively low cost. Less capacity (particularly when some of that capacity is at sea) will

substantially reduce land-use impacts and associated land-use risks (such as community acceptance and the impacts associated with an increasing number of endangered species), as well as reduced operational risks and reduced use of raw materials.

The Joint Agencies are currently planning to look at a resource diversification scenario looking only at technology advancements, and will apparently not look simply at different balances of wind and solar resources based on current and anticipated technology costs. CalWEA continues to urge the Joint Agencies to evaluate a portfolio that contains a more even balance of wind and solar resources. Further, CalWEA urges the Joint Agencies to evaluate the land-use impacts of a high-DER scenario, which will almost certainly show a need for more total capacity than a lower-DER scenario, owing both to the lower capacity factor of DERs and the higher capacity needs of a solar-heavy portfolio.

The study of non-energy benefits should scrutinize whether the hard-wired level of modeled behind-the-meter distributed generation is justified. In presenting the main scenarios that are planned for the 2025 SB 100 report, the Energy Commission's Dr. Liz Gill stated, as was shown in the accompanying slide, that the DER Focus scenario will include "higher levels of distributed energy resources, both front of the meter and behind the meter generation and storage as well as demand flexibility." In response to a question posed by CalWEA about whether lower levels of DERs would also be evaluated, as compared to the hard-wired assumption in the model, Gill's response "yes," there will be two different levels of DERs, "one that's lower." CalWEA interprets this response to mean that a lower level of behind-the-meter generation, as compared to the hard-wired assumption, will be studied to help determine what the associated costs and benefits of the modeled level are, and we strongly encourage such a comparison. As noted above, we expect that this comparison will illuminate the higher overall capacity needs of a high-DER scenario.

Parties should be assisted in using the REGEN model to conduct further studies. CalWEA appreciates that, as stated in response to CalWEA's question, the Energy Commission plans to make its REGEN model publicly available. We encourage the Commission to ensure that technical assistance will be available as needed, given that the model is a new one, so that CalWEA and other parties can conduct evaluations not undertaken by the Commission to provide further insights into this Joint Agency endeavor.

CalWEA appreciates the continued opportunity to share our thoughts on this process.

Sincerely,



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