

DOCKETED	
Docket Number:	18-IRP-01
Project Title:	Integrated Resource Plan
TN #:	256785
Document Title:	Nicole Looney Comments - SMUD Comments Re Review of SMUD 2022 Integrated Resource Plan
Description:	N/A
Filer:	System
Organization:	Nicole Looney
Submitter Role:	Public Agency
Submission Date:	6/10/2024 4:33:34 PM
Docketed Date:	6/10/2024

Comment Received From: Nicole Looney
Submitted On: 6/10/2024
Docket Number: 18-IRP-01

SMUD Comments Re Review of SMUD 2022 Integrated Resource Plan

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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:
)	<i>Review of SMUD 2022 Integrated</i>
)	<i>Resource Plan</i>
)	
)	June 10, 2024
)	

Comments of SACRAMENTO MUNICIPAL UTILITY DISTRICT on the *Review of SMUD 2022 Integrated Resource Plan*

The Sacramento Municipal Utility District (SMUD) appreciates the opportunity to provide comments on the California Energy Commission (CEC) staff report entitled *Review of SMUD 2022 Integrated Resource Plan* (Staff Report).¹ SMUD adopted its Integrated Resource Plan (IRP) on June 16, 2022, and submitted the IRP to the CEC, along with supplemental information (IRP Filing), on September 14, 2022. On February 6, 2024, the CEC notified SMUD via email that its IRP filing was complete, consistent with Chapter 3, Section B.1 of the *Publicly Owned Utility Integrated Resource Plan Guidelines* (IRP Guidelines).² On April 26, 2024, the CEC issued the Staff Report and consistency determination.³ SMUD submits these comments in accordance with Chapter 3, Section B.4 of the IRP Guidelines, which provides for response within 45 days of issuance of the consistency determination.

SMUD appreciates CEC staff's efforts in reviewing its IRP filing and concurs with the Staff Report's findings that SMUD's IRP is consistent with the requirements of Public Utilities Code (PUC) section 9621. However, the Staff Report's assessment of SMUD's progress toward Senate Bill (SB) 350 Energy Efficiency (EE) doubling goals mischaracterizes SMUD's achievements and is beyond the scope of the CEC's statutory IRP review obligations. SMUD thus recommends that the CEC remove this discussion from the Staff Report and focus on SMUD's EE and demand response

¹ McCollough, Brian, Usman Muhammad, Patrick Brecht. 2024. *Review of SMUD 2022 Integrated Resource Plan*. California Energy Commission. Publication Number: CEC-200-2024-005, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=256035&DocumentContentId=91797>

² Vidaver David, Melissa Jones, Paul Deaver, and Robert Kennedy. 2018. *Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines* (Revised Second Edition). California Energy Commission. Publication Number: CEC-200-2018-004- CMF, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=224889&DocumentContentId=55481>

³ Letter dated April 26, 2024, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=256040&DocumentContentId=91803>

resource procurement plans, consistent with the IRP Guidelines and PUC section 9621(d)(1)(A). SMUD's comments are further detailed below.

The Staff Report's characterization of SMUD's progress toward SB 350 EE doubling targets is inaccurate and should be removed.

While the Staff Report finds SMUD's IRP is consistent with the requirements of PUC section 9621(d)(1)(A), it subsequently suggests that SMUD is only on track to achieve a third of its share of the SB 350 EE goals.⁴ This is incorrect. The Staff Report arrives at this conclusion by comparing SMUD's forecasted EE impact to system load to the goals identified in the *Revised SB 350 Doubling Energy Efficiency Savings by 2030* (SB 350 Report). However, these quantities cannot be directly compared. The SB 350 Report targets are cumulative over the period from 2015-2029; SMUD's IRP, as a forward-looking resource planning document, covers the period from 2021-2029. In addition, unlike forecasted EE load impacts, the SB 350 Report targets do not incorporate assumed decay of energy efficiency programs over time. Moreover, as the Staff Report observes, SMUD's IRP Filing does not include equivalent energy efficiency from building electrification, which would otherwise count toward the target. As a result, the Staff Report significantly underestimates SMUD's progress and incorrectly concludes that SMUD may not be on track to meet SB 350 goals. SMUD strongly recommends the CEC to remove this inaccurate comparison from the Staff Report.

Assessing progress toward EE doubling targets is outside the scope of the CEC's statutory IRP review obligations.

PUC section 9622(b) directs the CEC to review IRP filings and provide recommendations if an IRP is inconsistent with the requirements of PUC section 9621. However, nothing in PUC section 9621 requires IRPs to demonstrate progress toward achieving EE doubling targets.⁵ It is therefore out of scope for the CEC to assess progress toward achieving the SB 350 Report targets or targets adopted by POU boards as part of its IRP review responsibilities, nor will IRP filings necessarily contain the information needed to support an accurate and informative comparison. As such, CEC IRP reviews should include an assessment of progress toward EE doubling goals only to the extent IRP filings voluntarily include information and explanations to address this.⁶

In its 2022 IRP Filing, SMUD elected not to include this optional information. CEC staff also did not request this optional information from SMUD in the 20 months since SMUD submitted its IRP Filing. Thus, for purposes of accuracy, the incomplete comparison should be removed from the Staff Report.

⁴ Staff Report, p. 13.

⁵ PUC section 9621 (d)(1)(A) requires IRPs to address procurement for energy efficiency and demand response resources pursuant to section 9615, which in turn directs POU's to prioritize acquiring all available energy efficiency and demand response resources that are cost effective, reliable, and feasible. Chapter 2, Section 3 of the IRP Guidelines requires POU's to include the impacts of EE and demand response programs, to the extent relied on.

⁶ Chapter 2, Section 3.A of the IRP Guidelines encourage POU's to provide this information, but it is not required.

The Staff Report should focus on evaluating SMUD’s energy efficiency and demand response resource procurement plans, consistent with the IRP Guidelines and PUC Section 9621.

The IRP Guidelines and PUC section 9621(d)(1)(A) require IRPs to address procurement of energy efficiency and demand response resources. The IRP Guidelines further specify, to the extent POU’s rely on such programs, that IRP filings must include the impacts of such programs and how savings were estimated. SMUD’s IRP Filing does just that. It describes how its EE and building electrification forecast is driven by the SMUD Board’s direction to maximize carbon reduction from buildings and informed by the California Municipal Utilities Association’s study of potentially achievable cost-effective energy savings. As noted above, the Staff Report correctly finds that SMUD’s IRP Filing is consistent with the requirements of PUC Section 9621 and the IRP Guidelines. SMUD strongly recommends the CEC to limit the focus of the Staff Report to reviewing SMUD’s EE and demand response resource procurement plans, consistent with its IRP review obligations, rather than expanding the discussion to include an assessment that is unnecessary and inaccurate.

Conclusion

SMUD appreciates the opportunity to provide these comments on the Staff Report and looks forward to continuing to work with staff to finalize the Staff Report on SMUD’s IRP Filing.

/s/

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cc: Corporate Files (LEG 2024-0089)