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IEP Comments on the Non-Energy Impacts Informational Proceeding

Additional submitted attachment is included below.

Independent Energy Producers Association

California Energy Commission
Docket Unit MS-4
Docket No. 24-OIIP-03
715 P Street
Sacramento, CA 95814

October 21, 2024

RE: SB 100 Non-Energy Impacts Informational Workshop

Dear Chair Hochschild:

The Independent Energy Producers Association (IEP) appreciates the opportunity to submit comments on the SB 100 Non-Energy Impacts (NEI) Informational Workshop ("workshop") held October 7, 2024. Since 1982, IEP has been representing the interest of developers and operators of independent energy facilities before the California Energy Commission (CEC) and other relevant agencies. IEP members collectively own and operate approximately one-third of California installed generating capacity, which includes biomass, geothermal, hydropower, solar, wind, hydrogen, natural gas, energy storage, and efficient cogeneration. This utility-scale generation consistently meets the needs of utilities, community choice aggregators (CCAs), and electric service providers (ESPs), looking to procure affordable, clean, diverse, and reliable power on behalf of their California ratepayers.

IEP encourages the CEC to prioritize affordability, resource diversity, and reliability in implementing California's carbon neutral regulations as called for in the 2021 SB 100 Joint Agency Report. Prioritizing these three categories will lead to non-energy benefits such as lower fixed costs, reduced generation costs, and the continuity of services communities rely on for health, safety, and economic prosperity.

Utility-scale projects result in non-energy benefits such as lower costs that directly impact the California ratepayer.

The term "utility-scale projects" refers to projects that are multi-megawatt, grid-connected, and selling power to third parties[1]. Utility-scale renewable projects like solar, wind, geothermal, hydropower, and biomass generation are growing, while becoming more cost-effective, due to favorable tax policies, declining prices, the ability to store energy, diversity of resource, and renewable mandates state and nation-wide.

SB 100's mandate to procure 100 percent renewable electricity by 2045 has catapulted the state's build-out of utility-scale projects so we can meet our clean energy goals on time, if not sooner[2]. According to the 2021 SB 100 Joint Agency Report, in 6 years, by 2030, the state will need to procure 73,000 MW of clean electricity to stay on track with the SB 100 goal, and 183,000 MW just 15 years later to achieve the goal. The 2021 SB 100 Joint Agency Report accounts for utility-scale renewable projects in each of the projected targets because the state cannot obtain the amount of affordable, reliable MW needed without them.

While the production and power generation costs from utility-scale renewable projects have dropped due to favorable policies like SB 100, California ratepayers are not seeing the non-energy impact of affordability in their rates. Instead of realizing the cost reductions from utility-scale clean energy generation, ratepayers are experiencing exponential rate increases due to hardening the grid for wildfire protections, increasing electric capacity with transmission additions, and the subsidization of net-energy metering (NEM)

[1] NREL. "Developing Utility-Scale Renewable Electricity." Developing Utility-Scale Renewable Electricity (energy.gov). Accessed April 26, 2024, Office of Energy Efficiency & Renewable Technology. "2030 Solar Cost Targets." 2030 Solar Cost Targets | Department of Energy. Accessed October 19 2024.

[2] Office of Governor Gavin Newsom. "Building the Electricity Grid of the Future: California's Clean Energy Transition Plan." Building the Electricity Grid of the Future: California's Clean Energy Transition Plan. Accessed October 19, 2024.

programs 1.0 and 2.0. (which cost rate payers $3.4 billion annually in 2021 and is projected to rise to $8.5 billion annually by the end of 2024[3]).

When considering the non-energy impacts of energy system planning, it is essential affordability is prioritized so ratepayers are not fronting the bill of system-wide fixed costs that are necessary for our clean energy transition. When affordability is prioritized, then ratepayers can continue to reap the benefits of the existing programs calling for clean energy procurement, improved air quality, and reliability, all while being able to afford participation in their communities--boosting economies, improving their health outcomes, and improving safety by keeping the lights on during ever-occurring natural disasters.

Signed,

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[3] The Public Advocates Office. "Rooftop Solar Incentive to Cost Customers Without Solar an Estimated $6.5 Billion in 2024." 240208-cal-advocates-2024-rooftop-solar-incentive-cost-shift.pdf. Accessed October 20, 2024.