

DOCKETED

Docket Number:	15-IEPR-06
Project Title:	Renewable Energy
TN #:	204863
Document Title:	Comments of the Northern California Power Agency on May 11, 2015 Commissioner Workshop -
Description:	Renewable Progress, Challenges, and Opportunities
Filer:	System
Organization:	Northern California Power Agency/Scott Tomashefsky
Submitter Role:	Public Agency
Submission Date:	6/3/2015 8:22:46 AM
Docketed Date:	6/3/2015

Comment Received From: Scott Tomashefsky

Submitted On: 6/3/2015

Docket Number: 15-IEPR-06

Comments of the Northern California Power Agency on May 11, 2015 Commissioner Workshop - Renewable Progress, Challenges, and Opportunities

Additional submitted attachment is included below.

**BEFORE THE STATE OF CALIFORNIA ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

**Comments of the Northern California Power Agency
on May 11, 2015 Commissioner Workshop –
Renewable Progress, Challenges, and Opportunities
(CEC Docket 15-IEPR-06)**

The Northern California Power Agency¹ (NCPA) takes this opportunity to provide the following written comments to the California Energy Commission (CEC) in response to the May 11, 2015 Integrated Energy Policy Report RPS workshop. In doing so, NCPA would like to express its appreciation to the CEC for being included as a participant in the public power workshop panel. Today's comments focus on two main areas of interest as it relates to NCPA: 1) NCPA-member progress toward meeting the California RPS goals, and 2) NCPA-member activities associated with net energy metering (NEM).

NCPA Member Progress Toward Meeting California RPS Goals

As a general matter, NCPA member utilities are well positioned to support the 33% by 2020 RPS goal. We are collectively awaiting a final official outcome from the CEC's review of our respective RPS compliance reports, but NCPA maintains that all of our members are in full compliance with the law for the 2011-13 compliance period. In many cases, members exceeded the 20% RPS target threshold, while others relied on important compliance alternatives to satisfy the statutory requirements.

The following is just a small sample of activities undertaken by NCPA member utilities to comply with the 2011-13 requirement, along with efforts to comply in the future:

- **Alameda Municipal Power:** Long considered the state's greenest utility, the design of the program has enabled the utility to sell a significant share of its renewable energy credits (RECs) to generate additional revenues that are used to make additional renewable investments in its community. Alameda has an adopted policy that requires a RPS level of at least 25% for 2011-13, 35% for 2014-16, and 40% for 2017 and beyond.

¹ NCPA members include the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, as well as the Bay Area Rapid Transit District, Port of Oakland, and the Truckee Donner Public Utility District, and whose Associate Member is the Plumas-Sierra Rural Electric Cooperative.

The City of Ukiah is applying a similar strategy as it sells excess RECs to generate revenue.

- **City of Palo Alto Utilities:** Building on the City's adoption of a carbon neutral plan in 2013, Palo Alto is well positioned to reach a 50% RPS by 2017. In addition to its adopted policy of reaching 33% this year, the city intends to rely heavily on long-term renewable power purchase agreements, which includes solar, wind, and landfill projects.
- **Port of Oakland:** The multi-year RPS compliance period has enabled the Port to fully comply with the state program while growing its RPS portfolio from less than 5% in 2012 to approximately 46% in 2014. A single-year approach to compliance would have made it impossible for the Port to meet the statutory 20% goals.
- **Silicon Valley Power (SVP):** NCPA's largest member peaking at just below 500 megawatts, SVP's portfolio is already above the 33% target and is expected to increase above 40% by next year. Similar to Alameda and Ukiah, SVP does sell excess RECs, generating revenue for additional clean energy investments.
- **Truckee Donner PUD:** Located east of the Sierras and the CAISO footprint, the utility expects that half of its portfolio will come from RPS-eligible resources in 2015. This represents a fundamental change in the utility's resource mix compared to 2007, when coal represented the vast majority of Truckee Donner's portfolio. Statutory language that recognized the unique location of the utility provided the flexibility needed for Truckee to position itself among the utilities with the highest renewable portfolios in California.

Without question, each NCPA member is actively pursuing additional RPS-eligible renewable resources for their respective portfolio. To facilitate in meeting this objective, NCPA is assisting members by seeking projects that can otherwise not be pursued individually. On May 29th, NCPA completed a Request for Proposal calling for up to 40 megawatts of solar capacity for facilities from 1-3 megawatts to be located at NCPA member locations. The contracts would take the shape of a Power Purchase Agreement and be available by 2017, at the start of the third RPS compliance period. NCPA is currently reviewing the results of the RFP.

As California looks beyond 2020 and towards an increased RPS mandate, NCPA members will be actively involved in the policy debate, not only with the CEC and the California Air Resources Board, but also at the State Capitol and with the administration. While there are many moving parts associated with the details of the program at this juncture, it is essential that flexibility remain a key component of the RPS program. At the most fundamental level, the objective should be to provide all stakeholders with the ability to be a successful contributor to the

state's RPS program and environmental objectives, especially as it relates to the broader climate objectives. Program flexibility allows this to occur.

Update on Solar Net Energy Metering

Beyond RPS issues past and present, CEC commissioners were specifically interested in getting a better understanding of net energy metering activity in the public power sector. NCPA is pleased to provide the following table, offering a member-specific update regarding the amount of NEM installed, the percentage of NEM installed compared to utility system peak, and the methodology used to determine the basis for calculating the 5% threshold.

NCPA Status Report: Installed Net Energy Metering Projects (Cumulative as of May 2015)

Member	5% NEM Cap (kW)	Installed Capacity (kW)	Remaining Capacity (kW)	Progress (%)	PV Share of Peak (%)	Description of Methodology
Alameda	3,600.0	2,730.0	870.0	75.8%	3.8%	Average over five-year period. Maximum coincident peak MW reading at Stations C and J during the same one-hour
Biggs	205.0	22.9	182.1	11.2%	0.6%	2014 peak demand (4100 kW) *.05
Gridley	500.0	252.5	247.5	50.5%	2.5%	2014 peak demand (10000 kW) *.05
Healdsburg	1,080.0	725.0	355.0	67.1%	3.4%	Historic system peak of 21.06 MW on 7/24/2006.
Lodi	7,090.0	2,690.0	4,400.0	37.9%	1.9%	Historic system Peak (2007)
Lompoc	1,155.4	1,441.0	-285.7	124.7%	6.2%	Historic System Peak (2014 Winter 23.1 MW).
Palo Alto	9,500.0	6,417.0	3,083.0	67.5%	3.4%	Historic system peak of 190 MW set in 2012
Plumas	1,640.0	884.7	755.3	53.9%	2.7%	5% based on PSREC historical peak of 32.8MW
Port	650.0	250.0	400.0	38.5%	1.9%	5% based on 2014 Port system peak of 13 MW.
Redding	11,633.0	4,897.0	6,736.0	42.1%	2.1%	Based on CY 2014 peak demand of 232.66 MW
Roseville	17,148.0	6,290.0	10,858.0	36.7%	1.8%	Historic System Peak of 342.96 MW
Santa Clara	24,120.0	14,112.0	10,008.0	58.5%	2.9%	Historic System Peak of 482.4 MW
Truckee	1,805.7	543.7	1,262.0	30.1%	1.5%	5% NEM Cap(kW) = 2014 Peak on 12/30/2014 HE 19 * 5%
Ukiah	1,513.0	436.4	1,076.6	28.8%	1.4%	Based on CY 2014 peak demand of 30.26 MW
TOTAL	81,640.1	41,692.2	39,947.8	51.1%	2.6%	

As of May 2015, NCPA members have 41 megawatts of rooftop solar installed across their member communities, with approximately 2.6% of peak demand as generally measured by system peak load. Peak demand estimates vary across the membership, ranging from a high of

6.2% in Lompoc to a low of 0.6% in the city of Biggs. In response to concerns raised about public power utilities reaching a numerical level that removes the requirement to offer net metering services to customers, the only member within the NCPA family to surpass the 5% threshold mandated in Public Utilities Code section 2827 is the city of Lompoc, with installed NEM of 6.2% of peak load. Under no other circumstances are any other members above 4% of peak load, and of NCPA's three largest members with the greatest potential for solar installation (Redding, Roseville, and Santa Clara), all are currently below 3%.

To that end, based on our estimates, nearly 40 megawatts of capacity is currently available to customers seeking to install rooftop solar in NCPA member communities. While the amount of available solar rooftop capacity may vary from utility to utility in percentage terms, the 2.6% aggregate total of available capacity for NCPA members is in line with the most recent estimates reported by the state's investor-owned utilities in April 2015.² The potential and desirability of rooftop solar installations also varies from utility to utility, given climate and socio-economic differences. Given these facts, it raises questions about the true intent of stakeholders who are pursuing a short-term, one-size-fits-all statutory method to calculate a NEM threshold for publicly-owned utilities. Notwithstanding instances where certain NCPA member system demands actually peak during the winter season - where solar generation is at its lowest level - a uniform approach will not produce an optimal solution to promote rooftop solar deployment within the public power community. Such a statutory call for uniformity in the short-term is not supported by the data provided above, and a longer-term solution will clearly benefit from the expected debate surrounding a post-2020 RPS and climate program. We look forward to that conversation.

Respectfully Submitted,



Scott Tomashefsky
Regulatory Affairs Manager

Northern California Power Agency
June 2, 2015

² As of April 2015, PG&E's NEM estimate was at 3.04%, Southern California Edison at 2.43%, and San Diego Gas and Electric at 3.28%. Source: IOU utility websites, as of 5/27/15.