

DOCKETED

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STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:

*Lead Commissioner for Electricity and
Natural Gas*

Docket No. 15-MISC-05

RE: Bulk Storage Workshop

**COMMENTS
OF THE
SAN DIEGO COUNTY WATER AUTHORITY**

I. INTRODUCTION

The San Diego County Water Authority (“SDCWA”) appreciates the opportunity to provide these post-workshop written comments to the California Energy Commission (“CEC”) on the issues surrounding pumped storage development, the operational experiences of SDCWA existing pumped storage, and the status of the proposed San Vicente pumped storage proposal.

II. COMMENTS

Formed in 1944, SDCWA provides wholesale water supply to 24 member agencies that span the vast majority of San Diego County and serve 97% of the county’s population. SDCWA imports approximately 90% of the water used in San Diego County, and owns and operates a regional water infrastructure that includes water storage. Associated with that water storage are energy production facilities.

SDCWA currently operates two hydroelectric facilities: (1) the Lake Hodges Pumped Storage Facility; and (2) Rancho Penasquitos hydroelectric facility. The output of both facilities

is currently under contract to San Diego Gas & Electric Company. In addition to the existing hydroelectric facilities, SDCWA and the City of San Diego (City) formed a partnership in 2014 to jointly develop a pumped storage project at the City-owned and operated San Vicente Reservoir. When built, the San Vicente Pumped Storage facility will have the capacity of up to 500 MW.

As SDCWA's representative indicated at the Workshop, and as the presentation materials indicate, SDCWA has seen changes to the dispatch of its existing units. These changes are likely due to changed grid requirements caused by increased renewable resource penetration. SDCWA notes that the Scheduling Coordinator for the facility is SDG&E and SDCWA is not privy to the bidding or other factors that drive the California Independent System Operator's dispatch decision, but have observed changes in utilization patterns and greater overall energy output from the facilities.

Looking ahead, SDCWA and the City have an ongoing FERC license application to support the addition of pumped storage to the San Vicente Dam facility. The proposed pumped storage facility has numerous advantages over other possible pumped storage options. First, it utilizes existing water infrastructure. Second, the water supply for the facility already exists. Third, the facility is located in the heart of the San Diego load pocket and Local Capacity Area and could meet local reliability requirements in a stressed part of the grid (The San Diego-Imperial Local Capacity Area has a Local Capacity Requirement of over 3600 MW, per 2014 CAISO technical studies). Fourth, it is located in very close proximity to high voltage transmission and substation facilities.

Given the increasing power needs to support seawater desalination and advanced water treatment, SDCWA and the City will continue to explore opportunities to develop

energy production facilities that maximize the water-energy nexus. Projects such as the San Vicente Pumped Storage and others add to the region's energy and water resilience and support the economic well-being of San Diego communities. We look forward to keeping the Commission and other state energy agencies apprised as consideration of the San Vicente pumped storage facility progresses.

Dated: December 22, 2015

Respectfully submitted,

A handwritten signature in cursive script, reading "C. Anthony Braun".

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