

## DOCKETED

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*Comment Received From: Catherine Hackney*

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**SCE's Comments on the CEC Docket No. 16-IEPR-03: Lead Commissioner Workshop on Draft Environmental Performance Report**

*Additional submitted attachment is included below.*

August 18, 2016

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 16-IEPR-03  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission Docket No. 16-IEPR-03: Lead Commissioner Workshop on Draft Environmental Performance Report

Dear Commissioner Douglas:

On August 4, 2016, the California Energy Commission (Energy Commission) held a Lead Commissioner Workshop (Workshop) to discuss the Draft Environmental Performance Report (Report) as part of the Integrated Energy Policy Report (IEPR) proceeding. Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments on the Report.

SCE also commends the Energy Commission's obvious hard work and diligence in compiling and updating the Report, which will help to shape and inform energy planning and investment decisions going forward. In these comments, SCE sets forth limited recommendations and revisions for the Report. For the Energy Commission's and stakeholders' convenience, SCE also provides specific redline revisions, where appropriate, in Attachment A of this document.

More specifically, SCE's comments focus on the current barriers to Transmission "Right-Sizing" and the trade-offs between the long-term reliability of a project versus the project cost. In Attachment A, SCE focuses on correcting inaccuracies related to San Onofre Nuclear Generating Station (SONGS) decommissioning, and to the Integrated Resources Plan (IRP).

#### **Transmission Planning Comments:**

SCE appreciates the Energy Commission's efforts to encourage more prudent long-term planning and "Transmission Right-Sizing" in the Report.<sup>1</sup> However, SCE cautions that key obstacles will likely continue to prevent "right sizing" from becoming widely adopted beyond a

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<sup>1</sup> See Report at pp. 152-154.

conceptual level. In particular, as noted in the “Full Capacity Deliverability vs. Energy-Only Generation Contracts” Section of the Report, the Energy Commission indicates that there are many instances of infrastructure upgrades that have “resulted in costly transmission projects that may result in little to no additional renewable energy being delivered into the system,” and that “California energy agencies are exploring the value of “energy-only” renewable resources contracts instead of requiring full deliverability.”<sup>2</sup> The Energy Commission notes that “this [energy-only] option has the potential to lower costs and increase the potential for renewable energy generation in many areas.”<sup>3</sup> This language suggests that developing projects that may be “right-sized” – and, therefore, provide a more long-term solution with deliverable, reliable service and sufficient capacity – may be considered inferior to “energy-only” projects based on a short-term cost perspective. As such, parties including right-sizing alternatives in a filing before the California Public Utilities Commission (CPUC) are likely to face criticism from consumer advocates and other stakeholders due to the additional cost that would be required to ensure long-term, right-sized reliability projects.

Moreover, any right-sizing upgrades would need to be initiated by the California Independent System Operator (CAISO) within the Annual Transmission Plan before upgrades go to bid. For any Renewable Portfolio Standard (RPS) upgrades, if the CPUC relies primarily on Power Purchase Agreements as the proof of need for upgrades instead of the CAISO and SCE generation queues and Generation Interconnection Agreements (GIAs) — as has been the case in past instances — right sizing projects becomes far less feasible.

In order to successfully implement right-sizing, SCE recommends that agencies agree upon right-sizing justification so that project sponsors can develop and defend upgrade proposals with a sufficient degree of confidence. Until then, this effort is unlikely to gain sufficient traction to be widely adopted and implemented.

In conclusion, SCE appreciates the state agencies’ consideration of these comments and looks forward to its continuing collaboration with the Energy Commission and stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

*/s/ Catherine Hackney*

Catherine Hackney

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<sup>2</sup> See Report at p. 154.

<sup>3</sup> Ibid.

**Attachment A**

### ***Recommended Redline Revisions by Page Number:***

*SCE offers the following recommended revisions to the report to correct inaccuracies and provide greater clarification in the Report. In this redline, SCE offers the original text of the Report, followed by its recommendation for revisions in redline.*

#### **1. Statement on Page 38**

Southern California Edison (SCE) has stated that it plans to complete the full NRC mandated decommissioning process within 20 years, even though the NRC allows up to 60 years to decommission a plant.

#### **Recommended Comment**

Southern California Edison (SCE) has stated that it plans to complete the full NRC mandated decommissioning process **of Units 2 and 3** within 20 years **with the dry cask storage facility remaining at the site**, even though the NRC allows up to 60 years to decommission a plant. **The dry cask storage facility will be removed and the site restoration completed by 2051.**

#### **2. Statement on Page 82 in Table 7: OTC Implementation Schedules**

San Onofre 2,3 Retired Jan. 31, 2011

#### **Recommended Comment**

San Onofre 2,3 Retired **Jan. 31, 2011 June 7, 2013**

#### **3. Statement on Page 83 in Footnote 146**

Although both San Onofre units ceased generation by January 31, 2011, they draw limited amounts of ocean water to cool nuclear fuel rods and other “hot” equipment.

#### Recommended Comment

Although both San Onofre units ceased generation by January 31, 201~~1~~<sup>2</sup>, they draw limited amounts of ocean water to cool nuclear fuel rods and other “hot” equipment.

#### **4. Statement on Page 109**

Same Statement and Recommended Comment as 1.

#### **5. Statement on Page 109**

SCE has removed all the fuel from the San Onofre reactors to a spent fuel pool and expects to complete the transfer from the pool to dry casks by 2019. SCE already has a dry cask storage facility at San Onofre to store spent fuel from the retired Unit 1 reactor. Instead of adding the spent fuel from Units 2 and 3 to the existing above ground dry cask storage facility, SCE plans to build a separate underground dry storage facility. SCE may in the future elect to move the Unit 1 spent fuel currently stored in the above-ground dry storage facility to the new underground facility.

#### Recommended Comment

SCE has removed all the fuel from the San Onofre Units 2 and 3 reactors to **a the** spent fuel pools and expects to complete the transfer from the pool to dry casks by 2019. SCE already has a dry cask storage facility at San Onofre **to that** stores spent fuel from the retired Unit 1 reactor **and the Units 2 and 3 reactors**. Instead of adding the **remaining** spent fuel from **the** Units 2 and 3 **spent fuel pools** to the existing above ground dry cask storage facility, SCE **plans to is** building a separate **partially** underground dry storage facility. **~~SCE may in the future elect to move the Unit 1 spent fuel currently stored in the above-ground dry storage facility to the new underground facility.~~**

## 6. Statement on Page 110

Under the current NRC storage framework, this could result in dry cask storage at the San Onofre site for decades beyond the license period.

### Recommended Comment

Under the current NRC storage framework, this could result in dry cask storage at the San Onofre site for decades **beyond the license period.**

## 7. Statement on Page 110

As part of the decommissioning of San Onofre, SCE sought and was granted approval for certain exemptions from the NRC's emergency planning requirements, including the requirement to maintain formal off-site radiological emergency plans and a reduced scope for onsite emergency plans. In the *2015 IEPR*, the Energy Commission noted that approval of this request would diminish the safeguards put in place to protect the public health and safety. SCE's justification for the request was that San Onofre had ceased operations and the types of possible accidents had diminished. However, NRC's decision allowed SCE to use an emergency plan based on a permanently defueled plant, although it will be several years before all the spent fuel is removed from the pools.

### Recommended Comment

As part of the decommissioning of San Onofre, SCE sought and was granted approval for certain exemptions from the NRC's emergency planning requirements, including the requirement to maintain formal off-site radiological emergency plans and a reduced scope for onsite emergency plans. In the *2015 IEPR*, the Energy Commission noted that approval of this request would diminish the safeguards put in place to protect the public health and safety. SCE's justification for the request was that San Onofre had ceased operations and the types of possible



accidents had diminished. However, NRC's decision allowed SCE to use an emergency plan based on a permanently defueled plant **with spent fuel remaining in the spent fuel pools until 2019, although it will be several years before all the spent fuel is removed from the pools.**

## **8. Statement on page 164**

SB 350 further requires the Energy Commission and CPUC to establish a process for LSEs to prepare IRPs. IRPs are comprehensive electric system planning documents intended to ensure that state's utilities and energy service providers adequately meet customer electric demand and GHG emission reduction targets that will be established by the California Air Resources Board, as required by SB 350. They also lay out the resource needs, policy goals, physical and operational constraints, and general priorities or proposed resource choices of an electric utility, including customer-side preferred resources. These plans will provide a framework to evaluate how utilities will align with the energy and other policy goals outlined in SB 350.

### Recommended Comment:

SB 350 further requires the Energy Commission and CPUC to establish a process for LSEs to prepare IRPs. IRPs are comprehensive electric system planning documents intended to ensure that state's **utilities and energy service providers-LSEs** adequately meet customer electric demand and GHG emission reduction targets that will be established by the California Air Resources Board, as required by SB 350. **~~They also lay out the resource needs, policy goals, physical and operational constraints, and general priorities or proposed resource choices of an electric utility, including customer-side preferred resources.~~ They are also required to identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy in a cost-effective manner. The portfolio shall rely upon zero carbon-emitting resources to the maximum extent reasonable and be designed to achieve statewide greenhouse gas emissions limits.** These plans will provide a framework to evaluate how **utilities LSEs** will align with the energy and other policy goals outlined in SB 350.