

DOCKETED

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**COMMENTS OF THE CALIFORNIA MUNICIPAL UTILITIES
ASSOCIATION ON THE SENATE BILL 100 TECHNICAL
WORKSHOP**

Additional submitted attachment is included below.

STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:
SB 100 Technical Workshop
RE: SB 100 Joint-Agency Report

Docket No. 19-SB-100

**COMMENTS OF THE CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION
ON THE SENATE BILL 100 TECHNICAL WORKSHOP**

The California Municipal Utilities Association (CMUA) appreciates the opportunity to provide comments on the Senate Bill (SB) 100 workshop to discuss technologies and inputs for technical analysis to inform the joint agency report (Technical Workshop).

CMUA is a statewide organization of local public agencies in California that provide electricity and water service to California consumers. CMUA membership includes publicly owned electric utilities (POUs) that operate electric distribution and transmission systems. In total, CMUA members provide approximately 25 percent of the electric load in California. California's POUs are committed to, and have a strong track record of, providing safe, reliable, affordable and sustainable electric service.

I. INTRODUCTION

SB 100 (De Leon, 2018) requires that electricity retail sellers procure a minimum share of their electricity sales from eligible renewable resources according to the following schedule:

- 33% by December 31, 2020,
- 44% by December 31, 2024,
- 52% by December 31, 2027, and
- 60% by December 31, 2030.¹

¹ Cal. Pub. Util. Code § 399.15(b)(2)(B).

SB 100 also establishes state policy that eligible renewable energy resources and zero-carbon resources supply 100 percent of all retail sales of electricity to California end-use customers and 100 percent of electricity procured to serve all state agencies by December 31, 2045.² In addition, SB 100 requires that the California Public Utilities Commission (CPUC), California Energy Resources Conservation and Development Commission (Energy Commission) and the California Air Resources Board (CARB) (collectively the Joint Agencies), in consultation with all California balancing authorities, issue a joint report to the Legislature by January 1, 2021.³

In its Technical Workshop Report Overview, the Energy Commission presented the following Key Considerations:

- Reliability,
- Energy Equity,
- Innovation and Emerging Technologies,
- Environmental Impacts,
- Affordability, and
- Resource Diversity and Flexibility.

CMUA agrees with these considerations and appreciates the opportunity to provide the following comments on the Technical Workshop.

II. COMMENTS ON JOINT TECHNICALWORKSHOP

A. Opportunities to Reduce Electric Sector Emissions Should be Evaluated in Context with Reducing Emissions Economy-Wide

Among the goals of SB 100 is that the electricity used to serve California load be zero-carbon by 2045. It is critical for the long-term success of California's broad environmental and economic goals that actions taken to meet the goals of SB 100 be integrated with the state's overall goals. To that end, SB 100 mandates that the CPUC, Energy Commission and CARB

² Cal. Pub. Util. Code § 454.53 (a).

³ Cal. Pub. Util. Code § 454.53 (d)(2).

jointly develop a report to the legislature. While the specific purpose of the joint agency report is specified in statute,⁴ the broader purpose is to enable policies that can work in an integrated manner to reach the state’s goals.

California’s retail electric utilities can be a significant source of emission reductions through fuel switching; the electrification of the state’s building and transportation sectors. The challenge of decarbonizing the electric sector may become greater as the electric sector realizes greater electric load due to fuel switching. It is critical that efforts to decarbonize the electric sector not threaten the ability of the electric sector to facilitate greater emission reductions through building and transportation electrification.

B. Electric Sector Reliability and Affordability Are Critical to Policy Success

Commissioner McAllister opened the workshop by characterizing the SB 100 Joint Report as a “system reliability exercise in the context of clean energy”. Commissioner McAllister further indicated that “reliability has to be job one.”⁵ CMUA agrees that grid reliability and stability will be critical to continued public support of the state’s clean energy goals. Electricity consumers see the impact of policy on service reliability and affordability. The first joint agency report must take a deep dive to demonstrate how all policies may impact electric sector reliability and affordability. The long-term viability and success of the state’s clean energy policy depends on continued public support of the impacts of state policy. California’s electricity consumers evaluate energy policy activities according to reliability and cost. To that end, every action taken pursuant to SB 100 goals must be evaluated based on the impact such action may have on electricity customers through reliability and affordability.

⁴ *Id.*

⁵ McAllister, J. Andrew, Ph.D. November 18, 2019. Opening Comments of Technical Workshop.

1. Natural Gas Resources Will Continue to be Needed as California Increases its Reliance on Intermittent Renewable Resources

CARB presented two Resource Scenarios for its analysis, an ‘RPS +’ scenario and a ‘No Combustion’ scenario.

Eligible resources under scenario 1, RPS + include:

- Currently eligible renewable resources,
- Large hydroelectric,
- Nuclear generation, and
- Natural gas generation with carbon capture and storage (CCS) where net greenhouse gas (GHG) emissions are zero.⁶

CMUA supports Scenario 1 but suggests that CARB also consider additional means of netting out GHG emissions beyond CCS, such as emissions offsets. Further, CARB should add renewable natural gas as a potential resource. In order to achieve the state’s clean energy goals, dispatchable generation resources, such as natural gas and renewable natural gas will become increasingly important to maintain grid reliability at reasonable cost.

CARB’s Scenario 2, ‘No Combustion’ excludes any resource that combusts fuel, including biomass and renewable natural gas. A no-combustion option is neither economically responsible nor is it technologically feasible. In order to be economically responsible, an option must include the lowest cost activity to achieve the state’s clean energy goals. However, Scenario 2 ignores lower cost alternative technologies, including CCS and emission offsets, which can help the state achieve its clean energy goals. CMUA encourages the Joint Agencies to evaluate all technologically feasible and economically responsible technologies in order to identify a pathway to reaching the state’s clean energy goals.

⁶ Schauland, Ryan, November 18, 2019. Options for Defining Eligible Electricity Resources Under SB 100.

2. **The Joint Report Must Include Large Hydroelectric Generation with Storage**

While Scenario 1 includes large hydroelectric generation, CARB should also include large scale pumped storage. As the state increasingly relies on intermittent renewable generation, large hydroelectric generation, including large hydroelectric generation with pumped storage provides an emission-free, dispatchable resource that can support the state's clean energy goals while affordably supporting grid reliability.

III. **CONCLUSION**

The Joint Agencies should pursue a technologically neutral approach to meeting the state's clean energy goals in an economically responsible manner. Only by evaluating all technologies in a transparent and neutral manner can the state achieve its long-term clean energy goals in a reliable and economically responsible manner.

CMUA appreciates the opportunity to provide these comments and looks forward to continuing to work with staff in this proceeding.

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Respectfully submitted,



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