

DOCKETED

Docket Number:	20-IEPR-01
Project Title:	General/Scope
TN #:	231890
Document Title:	Southern California Edison Company Comments - on draft scoping order for 2020 IEPR Update
Description:	N/A
Filer:	System
Organization:	Southern California Edison Company
Submitter Role:	Public
Submission Date:	1/31/2020 3:54:02 PM
Docketed Date:	1/31/2020

Comment Received From: Southern California Edison Company
Submitted On: 1/31/2020
Docket Number: 20-IEPR-01

SCE Comments on draft scoping order for 2020 IEPR Update

Additional submitted attachment is included below.



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January 31, 2020

California Energy Commission
Docket Office, MS-4
Re: Docket No. 20-IEPR-01
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. 20-IEPR-01: Draft Scoping Order for the 2020 Integrated Energy Policy Report Update

Dear Commissioners:

On January 17, 2020, the California Energy Commission (CEC) released a draft scoping order for the 2020 Integrated Energy Policy Report Update (*2020 IEPR Update*). As proposed, the *2020 IEPR Update* will consist of three products: (1) a report on transportation trends, challenges, and opportunities (led by Commissioner Monahan); (2) an update to the demand forecast (led by Commissioner McAllister); and (3) an assessment of microgrids (led by Chair Hochschild). Southern California Edison (SCE) appreciates the opportunity to engage with the CEC and other stakeholders on the proposed scope of the *2020 IEPR Update*. SCE's comments on the draft scoping order are organized by the three proposed products.

I. Transportation trends, challenges, and opportunities

SCE supports the CEC's proposal to focus the *2020 IEPR Update* on strategies for dramatically cutting emissions from the transportation sector. In 2017, transportation accounted for 40% of California's greenhouse gas emissions.¹ Incorporating associated emissions from fuel extraction and refining increases this share even higher. Therefore, decarbonizing the transportation sector is key to meeting California's economywide decarbonization and carbon neutrality goals. SCE's *Pathway 2045* analysis concludes that the most cost-effective path to reaching these goals includes electrifying three-quarters of light-duty vehicles and one-third of heavy-duty vehicles by 2045.²

¹ California Air Resources Board. (2019). *California Greenhouse Gas Emissions from 2000 to 2017, Trends of Emissions and other Indicators*. Retrieved from https://ww3.arb.ca.gov/cc/inventory/pubs/reports/2000_2017/ghg_inventory_trends_00-17.pdf.

² For more information on *Pathway 2045*, please visit <https://www.edison.com/home/our-perspective/pathway-2045.html>.

While the state as a whole has taken bold action to accelerate electric vehicle (EV) deployment, reaching California's environmental goals will require significantly more EVs than expected under current policies and state deployment goals. Current policies are expected to result in 3.6 million EVs by 2030³ and the state has a goal of 5 million EVs by 2030.⁴ However, SCE's *Pathway 2045* analysis indicates that meeting the state's economywide decarbonization goals will require nearly 8 million EVs across all vehicle classes on California's roads by 2030. Meeting this transportation electrification target is essential for the state to reach its goal of carbon neutrality by 2045, which will require over 27 million EVs.

SCE offers the following three recommendations to increase the impact of the *2020 IEPR Update*. Incorporating these recommendations into the scope of the *2020 IEPR Update* will help it effectively inform the ongoing policy and planning efforts across the state to cut emissions from the transportation sector and achieve California's environmental goals.

- The proposed assessment of current clean transportation funding programs should determine if such programs will result in the level of zero-emission vehicle (ZEV) deployment necessary to achieve California's environmental goals.

The proposed scope of the *2020 IEPR Update* includes an assessment of current clean transportation funding programs, including the CEC's Clean Transportation Program. This assessment should cover the full suite of funding programs such as the Clean Vehicle Rebate Program (CVRP), the Low Carbon Fuel Standard (LCFS), and the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP). This assessment should also determine if the current funding programs are sufficient to support the level of ZEV adoption necessary across all vehicle classes to achieve the state's environmental goals, including economywide emissions reduction targets for carbon dioxide and criteria air pollutants. If this assessment determines that the current funding programs are insufficient, the *2020 IEPR Update* should recommend ways to ensure the programs are better tied to achieving California's environmental goals.

- The proposed exploration of the infrastructure needed to meet the state's 2025 and 2030 ZEV goals should be expanded to assess the infrastructure needed to drive the ZEV deployment necessary to achieve California's broader set of environmental goals.

While the proposed scope includes an exploration of the infrastructure needed to meet the state's 2025 and 2030 ZEV deployment goals, the *2020 IEPR Update* should be expanded to assess the infrastructure needed to drive the ZEV deployment necessary to meet California's environmental goals, including economywide decarbonization and carbon-neutrality, which, as explained above,

³ California Energy Commission. (2020). *California Energy Demand 2020-2030 Forecast*. Retrieved from https://ww2.energy.ca.gov/2019_energypolicy/.

⁴ Executive Order B-48-18

will require significantly more ZEVs than the state's current deployment goals. Furthermore, the assessment should incorporate the infrastructure needs to support the successful implementation of the full suite of California Air Resources Board ZEV regulations and local air district rules, including the forthcoming Advanced Clean Truck Rule and Indirect Source Rules. This analysis should also strive for the maximum spatial granularity possible to effectively support planning efforts.

Broadening this analysis will ensure that infrastructure planners, state agencies, and other stakeholders have a comprehensive and consistent view of infrastructure needs for ZEV deployment across all vehicle classes that incorporates the full suite of state environmental goals. Additionally, this holistic view of infrastructure needs should be coordinated and integrated with the CPUC's work as it considers the utilities' role in transportation electrification within the Development of Rates and Infrastructure for Vehicle Electrification (DRIVE) rulemaking.⁵

- The proposed roadmap for intelligently integrating electric vehicles into the grid should be coordinated with the California Public Utilities Commission (CPUC's) Vehicle-Grid Integration Working Group.⁶

II. Update to the demand forecast

SCE understands the CEC's practice of performing only minor updates to the demand forecast in even-year IEPRs and saving more comprehensive demand forecast updates for odd-year IEPRs. As such, SCE encourages the CEC to use this year to explore ways to incorporate a deep decarbonization scenario into the demand forecast update for the *2021 IEPR*. This scenario should lay out the most cost-effective and feasible path to meet the state's economywide decarbonization and carbon-neutrality goals, similar to the modeling efforts underlying the CEC's *Deep Decarbonization in a High Renewables Future*. Such a scenario can ensure state agency efforts such as research, investment plans, incentives, and rulemakings are consistent with California's environmental goals. For example, the CEC's demand forecast provides key inputs into medium- and long-term utility planning activities at the CPUC, including development of Distribution Resources Plans (DRPs) and Integrated Resources Plans (IRPs).

III. Assessment of microgrids

SCE supports the CEC's proposal to include a review of the value of microgrids in the *2020 IEPR Update* and to put forward policy recommendations on how microgrids might best be used to increase grid reliability in California. Such an assessment should be coordinated with the CPUC's ongoing Microgrid and Resiliency Strategies rulemaking (R.19-09-009), where

⁵ For more information on the CPUC's Development of Rates and Infrastructure for Vehicle Electrification (DRIVE) rulemaking, please visit <https://www.cpuc.ca.gov/General.aspx?id=6442452724>.

⁶ For more information on the CPUC's Vehicle-Grid Integration Working Group, please visit <https://www.cpuc.ca.gov/vgi/>.

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stakeholders across the state are working to craft a policy- and decision-making framework to facilitate deployment of microgrids and other resiliency solutions.

While current work in the CPUC's Microgrid and Resiliency Strategies rulemaking is focused on near-term solutions to mitigate the impacts of Public Safety Power Shut-off (PSPS) events and wildfires, this is only one of many potential use cases for microgrids and other resiliency solutions. The proposed microgrid assessment in the *2020 IEPR Update* should examine the long-term value of microgrids (in their many forms) for the full suite of use cases and in the context of other scalable resiliency solutions, including grid designs that enhance flexibility, sectionalization, redundancy, and interoperability of distributed energy resources. Planners need a robust toolbox of resiliency measures that can be tailored to the resiliency needs of different communities based on existing grid architecture and inherent climate change and weather risks.

IV. Conclusion

SCE thanks the CEC for consideration of the above comments and looks forward to its continued partnership with stakeholders in the development of the *2020 IEPR Update*. Please do not hesitate to contact me at (415) 929-5518 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Dawn Anaiscourt