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SCE Comments on SB 100 Modeling Inputs and Assumptions Workshop

Additional submitted attachment is included below.



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March 9, 2020

California Energy Commission Docket Office, MS-4 Re: Docket No. 19-SB-100 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. 19-SB-100: Senate Bill 100 Modeling Inputs and Assumptions Workshop

Dear Commissioners:

On February 24, 2020, the California Energy Commission (CEC) staff conducted a joint workshop with the California Public Utilities Commission (CPUC) and the California Air Resources Board (CARB) to discuss inputs and assumptions for analysis to be conducted for the Senate Bill (SB) 100 (de León, Chapter 312, Statutes of 2018) Joint Agency Report (SB 100 Report). The CEC staff and their contractors reviewed the overall goals and approach of the SB 100 Report and details on the chosen modeling tool, including inputs, assumptions, and planned scenarios. A panel of representatives from balancing authorities discussed reliability considerations, and a panel of stakeholders provided additional perspectives on SB 100, including issues of land use, workforce development, affordability, and equity. Southern California Edison (SCE) appreciates the opportunity to engage with the joint agencies and other stakeholders on the SB 100 Report. SCE respectfully submits the following comments for consideration by the joint agencies.

I. <u>SCE supports the proposed list of scenarios</u>

SCE supports the joint agencies' proposed list of scenarios, especially the scenarios that incorporate electricity demand from CEC's *Deep Decarbonization in a High Renewables Future*. That study, as well as SCE's *Pathway 2045* study,¹ conclude that the most cost-effective path to reaching California's economy-wide decarbonization goals includes rapid electrification of the transportation and buildings sectors. Such electrification will have substantial implications for SB 100 and its requirement to supply all retail sales of electricity using zero-carbon resources by 2045. Not only will additional resources be necessary to meet the increase in electricity demand, but the types of resources necessary with high electrification may be different given the unique load shapes of that additional demand.

¹ For more information on Pathway 2045, please visit <u>https://www.edison.com/home/our-perspective/pathway-2045.html</u>.

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SCE supports the joint agencies' efforts to take a holistic approach to SB 100 by putting its requirements in the context of the state's broader decarbonization and environmental goals. SCE recommends the joint agencies update the demand scenarios from CEC's *Deep Decarbonization in a High Renewables Future* to include the goals of Executive Order B-55-18 (i.e., economy-wide carbon-neutrality by 2045).

II. The joint agencies should establish additional outputs to better assess affordability

The joint agencies are proposing to use cost per kilowatt-hour (kWh) served as the only metric for affordability in the modeling work underlying the SB 100 Report. Such a metric is insufficient because it does not consider the impact on total energy costs (e.g., gasoline, natural gas, etc.). Although the average cost of electricity (\$/kWh) may increase as the state pursues SB 100's requirements, the total cost of energy may decrease as the transportation and buildings sectors electrify to meet the state's decarbonization and carbon-neutrality goals. SCE recommends the joint agencies establish additional outputs related to other energy costs to better assess affordability.

In *Pathway 2045*, SCE conducted a 'share of wallet' analysis to evaluate total energy costs if transportation and buildings sectors are electrified to meet California's decarbonization and carbon-neutrality goals. This analysis shows that an electrified economy produces energy savings for an average household. While electricity bills increase, total energy costs decrease by one-third by 2045, driven by significant energy efficiency gains and reduced gasoline consumption due to electric vehicle adoption.

III. Conclusion

SCE thanks the joint agencies for consideration of the above comments and looks forward to its continued partnership with stakeholders in the development of the SB 100 Report. 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