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SCE Comments on SB 100 Draft Results Workshop

Additional submitted attachment is included below.

September 15, 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 Draft Results Workshop

Dear Commissioners:

On September 2, 2020, the California Energy Commission ("CEC") hosted the *Senate Bill 100 Draft Results Workshop* ("Workshop") jointly with the California Public Utilities Commission ("CPUC") and the California Air Resources Board ("CARB," and collectively with the CEC and the CPUC, the "Joint Agencies") to discuss draft modeling results 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 analytical framework of the SB 100 Report and draft capacity expansion modeling results of the core and study scenario sets. Panels of stakeholders discussed resource build requirements, grid planning implications, and equity, workforce and other considerations of the draft modeling results. Southern California Edison ("SCE") appreciates the opportunity to engage with the Joint Agencies and other stakeholders on the SB 100 Report and respectfully submits the following comments for consideration.

I. SCE agrees that significant resource build rates are required to meet SB 100 goals.

The draft modeling results for the SB 100 Report demonstrate that significant resource build rates are needed for California to meet the SB 100 goal of 100 percent carbon-free retail sales by 2045. Taking into account high electrification of end uses to meet the state's economywide decarbonization goals, achieving the SB 100 goal will require new resource build rates on par with the maximum single year buildout of solar (2.67 GW) and wind (0.98 GW) to date. This will also require storage build rates at a scale not yet seen in California (2.2 GW per year). SCE's *Pathway 2045* study¹ found a similar new resource build trajectory that increases from 2020 to 2030 and gets steeper from 2030 to 2045.

Given these resource needs, the long-term procurement planning conducted via the CPUC's Integrated Resource Plan ("IRP") proceeding must include a 2030 greenhouse gas

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

(“GHG”) target that puts California on a trajectory to meet our 2045 goals. Not doing so would put achievement of the SB 100 goals at significant risk. This means that the electric sector should have an interim 2030 GHG target between 30 and 38 million metric tons (inclusive of behind-the-meter combined-heat-and-power GHG emissions).

No matter which scenarios are evaluated or which resource types are selected, the SB 100 Report’s draft modeling results imply a significant need for transmission to connect and deliver these resources to load centers. Given the lead time it takes to increase the capacity of existing transmission lines or build new transmission lines, we need to start planning and executing on grid capacity growth now.

II. SCE encourages the Joint Agencies to evolve reliability planning processes.

Currently, California plans to a 1-in-10 reliability standard. For planning purposes, including capacity expansion planning, this 1-in-10 reliability standard has been translated into a planning reserve margin which is currently set at 15 percent. SCE’s loss-of-load-expectation (“LOLE”) studies have shown that the planning reserve margin is dependent on the resource mix. As renewables and use-limited resources (such as battery storage) grow, the planning reserve margin will need to increase for the system to meet the 1-in-10 reliability standard.²

As the Joint Agencies move from capacity expansion modeling to portfolio reliability testing, SCE strongly encourages an iterative approach that incorporates additional portfolio adjustments including increased planning reserve margin assumptions in the capacity expansion modeling to meet the 1-in-10 reliability standard.

III. Conclusion

SCE thanks the Joint Agencies for consideration of the above comments and looks forward to continuing its 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

² As discussed in its 2020 IRP, SCE’s system-wide LOLE study indicated that the planning reserve margin would need to grow to 16.5% in 2024 and 17.5% in 2026 due to changes in the resource mix. As the resource mix changes further beyond 2030, additional LOLE studies would need to be performed to assess the planning reserve margin. SCE’s 2020 IRP can be found by going to www.sce.com/applications, typing “R.20-05-003” into the search box, and clicking “Go.”