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Comment Received From: Danielle Osborn Mills
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ACP-California Comments on SB 100 Resource Build

Attached please find comments of American Clean Power-California on the SB 100 Resource Build Workshop

Additional submitted attachment is included below.



June 18, 2021

California Energy Commission
1516 9th Street
Sacramento, CA 95814-5512

Docket # 19-SB-100

RE: Joint Agency Workshop on Next Steps to Plan for Senate Bill 100 Resource Build

Dear President Batjer, Chair Hochschild, Chair Randolph, Commissioners, and Air Resources Board Members,

American Clean Power-California appreciates the opportunity to submit comments on the Joint Agency Workshop. As California begins to squarely focus on the challenges of implementing SB 100 and building the clean energy portfolio of our future, ACP-California would like to recognize a few encouraging steps forward.

ACP-California was pleased to see the CPUC recognize the need to move beyond the pattern of “just in time” procurement and ensure mid-term reliability consistent with a high-needs planning scenario. This more aggressive approach to procurement is better aligned with the results of SB 100 and the clear need to accelerate clean energy resource build rates. This level and rate of procurement must be sustained over the next decade to achieve our clean energy and climate goals. Agency focus on interconnections and transmission upgrades will be necessary in the coming months to bring these new capacity resources to market and ensure reliable replacements for California’s aging infrastructure. Any new procurement directives must be closely correlated with transmission planning and approval processes.

ACP-California also commends the Governor and state leaders for their efforts to forge a productive state-federal partnership and resolve sea-space conflicts for siting offshore wind development in the Central Coast. California now has an opportunity to become a global leader in floating offshore wind technology with an agreement to move forward with leasing for ~600 square miles of sea space in Morro Bay and Humboldt, totaling 4,600 MW of development potential. We are grateful for the partnership between California and the Biden-Harris Administration and are excited to bring a large-scale offshore wind industry to California. This agreement is a crucial first step for the industry, which will help unlock investment and will set up the West Coast for an even bigger floating offshore wind industry in the future. Together with the Federal Investment Tax Credit for offshore wind which extends through 2025, with generous safe-harbor provisions,¹ the Governor’s proposal to invest \$20 Million of the budget in port and permitting preparations, and the statewide planning and goal-setting that would be enacted by AB 525 (Chiu, 2021), California is poised to launch a successful offshore wind industry over the next decade.

¹ <https://www.lw.com/thoughtLeadership/irs-gives-offshore-wind-and-federal-land-projects-more-time-to-qualify-for-tax-credits>



Finally, ACP-California welcomes the CAISO's 20-Year Transmission Outlook, which is consistent with the types of transmission evaluations for which ACP-California has been advocating in CAISO and CPUC proceedings. A more forward-looking transmission evaluation, which provides CAISO with more flexibility in study approach than the tariff defined Transmission Planning Process (TPP) is needed as the state enters a new phase of clean energy development where additional transmission capacity will be needed to achieve the state's long-term goals. The 20-year transmission outlook can provide important analysis and information to the CPUC's Integrated Resource Planning (IRP) process and is a necessary first step to better align the generation and transmission planning processes. ACP-California supports the assessment's broad scope, which will include evaluations of in-state and out-of-state transmission solutions, including inter-regional transmission projects and transmission capacity to incorporate offshore wind.

Recommendations

In addition to the encouraging signs and steps detailed above, critical challenges to SB 100 implementation remain. ACP-California looks forward to working with the joint energy agencies on development of an implementation plan to ensure that near-term actions set the course to achieve critical climate and energy outcomes.

First, the scale and pace of renewable energy and transmission development required by SB 100 necessitates improvements and efficiencies in siting and permitting new clean resources. The joint agencies should look regionally, as well as to the oceans, to balance conservation, climate, and economic goals in its land-use and energy planning. We should openly acknowledge the barriers for siting and permitting renewables at the necessary scale with the goal of working with stakeholders to get to "yes" more often and more quickly for responsibly sited projects. In addition, the state should consider new processes to coordinate permitting among state agencies as well as with the federal government. Mechanisms like the MOU between the Department of Interior and the State of California from 2016 should be put in place as soon as possible.

Ultimately, the state energy agencies need a clear and actionable plan to achieve an acceleration of this scale in the next 5-10 years. The plan should address the following considerations, emphasizing the importance of this unique moment in the transition to clean energy:

- Increased electricity demand as California and the nation works to decarbonize other sectors of the economy (e.g. buildings and transportation).
- The importance of energy reliability in the face of unprecedented climate events.
- Wildfire risk and the need to modernize and upgrade our transmission system.
- The value and importance of regional and technological diversity.
- Land use, sea-space, and economic development considerations associated with clean energy infrastructure development.
- Current permitting processes for clean energy resources and associated infrastructure.
- The availability of federal tax incentives for clean energy and potentially for transmission.
- The window of opportunity with climate leadership and partnership with the federal government.
- The need to develop a workforce to assist with and accelerate this transition to clean energy.



Second, the Joint Agencies should drive toward longer-term procurement in their planning and procurement activities. The CAISO 20-Year Transmission Outlook is a step in that direction, as is the CPUC's proposed decision contemplating procurement in 2026 to 2028. However, for very long-lead time resources—like offshore wind—planning five to seven years out will be insufficient. To truly stimulate the market to bring on the diverse mix of resources called for in the SB 100 report, energy agencies need to begin calling for procurement with a lead time of seven to twelve years out. Otherwise, we risk defaulting to a resource portfolio that consists only of resources that can show up quickly and could lose the opportunity to stimulate development of innovative, diverse resources that will contribute both resource cost savings and reliability benefits. Building off the CAISO 20-Year Transmission Outlook initiative, California needs to develop mechanisms for authorizing upgrades and expansions of the transmission system on a timeline that will bring both generation resources and new transmission capacity online in tandem and on time. This will require not just a long-term outlook but long-term authorization and investment.

In conclusion, ACP-California acknowledges the importance of the Joint Agency SB 100 planning and implementation process. The next few years will be critical for establishing new processes and policies that will create the momentum needed to achieve our clean energy transition. We must translate broad planning into actionable steps that result in a diverse portfolio of clean energy technologies at a sustained and aggressive pace over the next two decades.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle".

Danielle Osborn Mills
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