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STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

In the matter of:

Clean Energy System Reliability) Docket No. 21-ESR-01
_____)

LEAD COMMISSIONER WORKSHOP ON CLEAN ENERGY
ALTERNATIVES FOR RELIABILITY
SESSION 1

IN PERSON AND REMOTE VIA ZOOM VIRTUAL MEETING

Warren-Alquist State Energy
Rosenfeld Hearing Room (Hearing Room A)
1516 9th Street,
Sacramento, CA 95814
(Wheelchair Accessible)

FRIDAY, OCTOBER 28, 2022

10:00 A.M.

Reported by:

Martha Nelson

APPEARANCESCEC Commissioners Present

Siva Gunda, Vice Chair, CEC

Patty Monahan, Commissioner, CEC

Andrew McAllister, Commissioner, CEC

Kourtney Vaccaro, Commissioner, CEC

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David Erne, Deputy Director, Energy Assessments Division,
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Lisa DeCarlo, Attorney, Chief Counsel's Office, CEC

Chie Hong Yee Yang, CEC

Brian Samuelson, CEC

California Public Utilities Commission (CPUC)

Alice Reynolds, President

Darcie Houck, Commissioner

Pete Skala, Director Electricity Supply, Planning, and
Cost

California Independent System Operator (CAISO)

Neil Millar, Vice President, Infrastructure and Operations
Planning

California Department of Water Resources (DWR)

Ted Craddock, Deputy Director

APPEARANCESPublic Comment

Kurt Johnson, Climate Center

Robert Budnitz, Diablo Canyon Independent Safety Committee

Rick Brown, TerraVerde Energy

Kate Unger, California Solar & Storage Association

Steven King, Environment California

Suzanne Harvey, Santa Lucia Chapter, Sierra Club

Patrick Welch, California Municipal Utilities Association

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P R O C E E D I N G S

10:03 a.m.

FRIDAY, OCTOBER 28, 2022

MR. ERNE: Good morning, we're just getting settled in the room, but I think we're about ready to start. So thank you for joining our workshop today on Clean Energy Alternatives for Reliability. This will be one of multiple workshops that we'll be having on this topic related to the number of legislative requirements that came to us, to the agencies, over the course of the summer. So this will be our first overview and provide some background on the materials.

Before we start, I want to give some administrative items, cover a few things.

We're going to have two sessions, a morning session and afternoon session. The morning sessions is from 10:00 to 12:00 and that will be a background material, overview of requirements, and a discussion of reliability. And then the afternoon session will be a longer discussion about clean energy alternatives and laying out the supply-- and-demand-type alternatives that we should be evaluating for these multiple requirements.

We will have Q&A and public comments throughout the day. And for the for those who are in the room, we'll have people come to the podium for Q&A and public comment.

1 For those that are on Zoom, please use the question feature
2 in Zoom to provide -- or to ask questions and provide
3 comments. And if you have administrative questions, then
4 use the chat function.

5 Public comments for this workshop are due on
6 November 10th. And the docket information is presented --
7 opportunities, I don't think we have the slide u, do we?
8 Bring the slide up.

9 The docket is our Reliability Docket 21-ESR-01.
10 And we'll also be having, probably producing in the late
11 next week, we'll have an RFI go out which will ask some of
12 the similar questions that we're going to be asking this
13 afternoon on technologies and ways we should evaluate those
14 technologies to meet the various requirements.

15 The workshop is being recorded and we'll have it
16 posted. The schedule and the presentations already are
17 posted in the docket.

18 So at this point, I'm going to go through a quick
19 overview of the agenda, which is slide three.

20 We'll begin with comments from the dais. After
21 that, I'll give an overview of our reliability situation in
22 the state. We'll cover the 2022 legislative requirements
23 for our CEC, CPUC and DWR. And then we'll have Q&A and
24 public comments that will round up the morning.

25 In the afternoon, we'll have a session, which

1 will be a longer, more interactive session, talking about
2 the types of supply and demand resources that we should be
3 evaluating for reliability for the state to meet our
4 requirements, and some questions about the development of
5 the Distributed Electricity Backup Assets Program. And
6 again, public comments and Q&A for those. And that will be
7 our agenda for today.

8 So at this point, I'd like to turn it over to our
9 lead Commissioner, Vice Chair Gunda, who will be giving --
10 starting opening comments from the dais.

11 VICE CHAIR GUNDA: Thank you, David.

12 Good morning, everybody, and welcome to the
13 workshop. We have a number of principals from both
14 agencies and I welcome their comments on the dais once I
15 make a brief introduction on the topline goals of this
16 workshop.

17 As David just outlined, you know, we have two
18 sessions today to really provide a situation to witness for
19 the public. The whole legislative cycle this year,
20 starting in April, moved really fast. There were a number
21 of bills and funding opportunities that were entrusted to
22 the agencies. So we want to make sure that the public has
23 a good understanding on what the requirements are. So we
24 would like to have some time in the morning for Q&A and
25 comments so one of the key goals is met, which is leave

1 this workshop with a general understanding of what the
2 requirements are.

3 And the second session, as David noted, we would
4 want to begin with just bucketing all the requirements into
5 broad buckets of what we see, you know, both from analysis
6 all the way to figuring out recommendations for the
7 funding. So we're going to talk through that and really
8 kind of dig into it a little bit more on what are the
9 options on the table we should consider both for near term
10 and long term reliability and clean energy transition.

11 So it's going to be an important workshop for us.
12 We look forward to learning from all the public and the
13 stakeholders. With that, I will pass the mic to President
14 Reynolds.

15 PRESIDENT REYNOLDS: Thank you, Vice Chair Gunda.
16 Really excited to be here. Thank you so much for including
17 the PUC on the dais today.

18 Welcome to all the members of the public. Really
19 looking forward to the agenda today.

20 I just wanted to add a couple of points. I think
21 we're going to be hearing more about this later but wanted
22 to make everybody aware that we do have an open proceeding
23 at the Commission, pursuant to SB 846. And we currently
24 have reopened our previous proceeding on Diablo Canyon and
25 we'll be looking at -- we'll be carrying out the statutory

1 direction for the first phase of the PUC's work through
2 that open proceeding. We expect to wrap it up by the end
3 of this year as directed by the legislature. And it is,
4 essentially, to make the order that is required to PG&E to
5 keep options open for continued operations of the facility
6 and track costs from account and accounting perspective.

7 So just wanted to note and accentuate the work
8 that we're doing so that it's clear that we're taking our
9 first steps in the context of everything else going on in
10 this workshop.

11 And I really appreciate the way Vice Chair Gunda,
12 CEC staff, that you're taking this broad perspective and
13 establishing the larger picture so that we can evaluate all
14 of these issues comprehensively.

15 So thank you very much for hosting today. Thank
16 you to the staff for all the work and putting together this
17 event today. And I look forward to hearing more.

18 VICE CHAIR GUNDA: Thank you, President Reynolds.

19 With that, I'll begin with the dais here.

20 Commissioner Houck?

21 COMMISSIONER HOUCK: I also just wanted to thank
22 the CEC commissioners and staff for holding this important
23 workshop today. I'm looking forward to hearing the
24 presentations, and particularly this afternoon's
25 presentations regarding distributed energy resources and

1 clean energy options, and how that can help relate and
2 support and coordinate with the work that the CPUC is doing
3 regarding DER.

4 So thank you. And, again, I'm looking forward to
5 hearing from everyone this morning.

6 VICE CHAIR GUNDA: Commissioner Neil?

7 VICE PRESIDENT MILLAR: Thank you very much, Vice
8 Chair Gunda.

9 Yes, on behalf of the ISO, we really do
10 appreciate the opportunity to participate in today's
11 discussions. The reliability issues being discussed here
12 are obviously critically important to the ISO. We do very
13 much appreciate the excellent collaborative working
14 relationship we have with both Public Utilities Commission
15 and the Energy Commission. And we do see the fairly
16 lengthy list of new study and reporting requirements
17 continuing to build on that relationship. And we'll look
18 forward to going through today's panel discussion, so
19 really appreciate it.

20 Thank you.

21 VICE CHAIR GUNDA: Thank you so much, Neil.

22 Commissioner Monahan, and then Commissioner
23 McAllister.

24 COMMISSIONER MONAHAN: Thanks. And I just want
25 to express my appreciation to you, Vice Chair Gunda, for

1 your leadership in this space, and to fostering this
2 interagency collaboration, which I think is really critical
3 to being successful going forward.

4 I think we're all laser focused on really, how do
5 we ensure reliability while we're also decarbonizing our
6 electricity and transportation sectors in our economy at
7 large, and in trying to ensure that our energy system is
8 affordable, especially for people that are struggling to
9 make their make ends meet?

10 So just really appreciate the fact that we're
11 having an interagency collaboration. I think that's the
12 only way we'll be successful going forward.

13 And I'll turn it over to Commissioner McAllister.

14 COMMISSIONER MCALLISTER: Great. Thank you,
15 Commissioner Monahan. And second your thanks to Vice Chair
16 Gunda, and also our colleagues from the other agencies.
17 Good see Neil and Commissioner Houck there in person. So
18 thanks, everyone, for all your engagement.

19 And, yeah, just, I guess, we're doing something,
20 particularly this afternoon, we'll be talking about, as
21 Commissioner Houck said, the distributed resources that we
22 are really trying to take advantage of to help underpin
23 reliability and buttress our entire project, you know,
24 moving to the Clean Energy Transition, achieving 100
25 percent carbon-free energy systems and good grid,

1 particularly while we take advantage of resources that
2 really we're trying to do at an unprecedented scale, I
3 think, focusing on the distribute energy resources, both
4 demand side efficiency, load flexibility, and small scale
5 generation. And so we have to be very deliberate about
6 that.

7 And I really appreciate the interagency
8 engagement and collaboration on this, because we have to
9 sort of look at everything in the clear light of day. And
10 we want these resources to be available in aggregatable and
11 underpin reliability. At the same time, you know, we need
12 we expect to need them to, to perform, you know? And the
13 electrons don't care where the energy is coming from, they
14 just want it, they're going to do what they do. And so we
15 really have to, I think, be cleareyed about this analysis.

16 At the same time, I am incredibly hopeful that
17 we'll be able to unlock resources that heretofore have not
18 been available at scale, and in particular, from our
19 buildings and transportation sector, so really optimistic.
20 And I think we have the people and the tools at our
21 disposal and we have to use them use them right, correctly,
22 and I think this workshop is a great step instruction.

23 So looking forward to the to the conversation.

24 VICE CHAIR GUNDA: Thank you, Commissioner
25 McAllister.

1 We have Commissioner Vaccaro just joined.
2 Commissioner Vaccaro, do you have any opening
3 comments?

4 COMMISSIONER VACCARO: I'll be very brief. Thank
5 you, Vice Chair Gunda. I came in late and stayed off video
6 not to be disruptive. And so in that same vein, I will
7 just associate myself with all of the very, I think,
8 thoughtful comments from the leaders on the dais.

9 And I think I would just say that we're dealing
10 with really weighty, important, and complex topics. And
11 just really appreciate the leadership to bring this
12 conversation into the public space for folks to understand,
13 to ask questions to engage, I think that's really very
14 important as we move forward. Just want to commend you,
15 Vice Chair Gunda, for taking this this important step.

16 VICE CHAIR GUNDA: Thank you, Commissioner
17 Vaccaro.

18 So we have a couple of minutes to close the
19 opening comments from the dais so I can pass it back to
20 David, so just wanted to reiterate a couple of key topics I
21 raised in business meetings right after the summer.

22 So just want to make sure, at least, you know, as
23 a team here on the dais, to really provide a sincere
24 appreciation to hundreds of staff at ECC CPUC, CAISO and
25 MR. WITHROW: ,R and many other state agencies that worked

1 tirelessly this summer, all the way from April, just
2 working very closely with the stakeholders, to the extent
3 possible. And also, you know, the Governor's Office and,
4 you know, together to make sure, one, we provided all the
5 information we were requested, you know, of the legislature
6 and the Governor's Office, but also just working so hard,
7 their hearts out, to keep the lights on this summer. So
8 just want to provide a sincere gratitude to all the staff.

9 I also want to thank the stakeholders. We could
10 not have gone gotten through September 6th without the kind
11 of mobilization that happened. And the stakeholder
12 goodwill and commitment to make sure we -- the lights don't
13 go off at the water agencies, the POU's, the IOU's, whether
14 you have large customers, everybody came to the table,
15 state agencies came to the table to just, you know, make
16 sure we worked together and saw every opportunity there and
17 took it.

18 Just in the light of that, on September 6th, we
19 mentioned this before, as we think through the liability,
20 there is obviously a huge portion on improving our planning
21 and processes. That's absolutely something the agencies
22 take very seriously in working towards that. But also, you
23 know, even as we think about planning and processes and the
24 improvements there, the September 6th, we were on track to
25 reaching a 53,000 megawatt load on the CAISO system. That

1 was almost 7,000 to 8,000 megawatts higher than what we
2 would have seen on an average September month, so we're
3 talking about two LAWPs on top of the CAISO system.

4 So that that is not just a deviation from
5 planning or audit process, it is climate change. And we
6 need to really embrace that and make sure that we
7 understand the extraordinary situation we're in and make
8 sure we have all the tools on the table to make this work.
9 And that includes tradeoffs. And we have to talk through
10 tradeoffs on all the different options we need, both from
11 making sure we have reliability in the short term but
12 ensuring that we do not deviate from a clean energy
13 transition, and accelerating the hospital as quickly as we
14 can.

15 So with that spirit, I welcome comments today,
16 with a spirit of both making sure we understand what the
17 problems are, but to the extent that we have solutions, you
18 know, we would love to hear and work together as one big
19 family.

20 So with that, back to you, David.

21 MR. ERNE: Thank you, Vice Chair.

22 Thank you for the comments from the dais as well.

23 So I think I neglected to mention, I'm David
24 Erne. I'm the Deputy Director of the Energy Assessments
25 division. And I'm going to give an overview, kind of our

1 reliability situation currently in California, to add on to
2 what the Vice Chair just noted. And I want to provide that
3 as stage setting for the subsequent conversation because
4 what you'll see is the reliability challenges we've been
5 seeing over the last few years are really the drivers for
6 the number of requirements that the Governor and
7 legislature set forward for the agencies this summer. And
8 that will follow my overview of the presentation. So my
9 expectation is to give you the overview that helps you
10 understand the requirements that are going to be enumerated
11 after that by each of the agencies.

12 So first slide -- or next slide.

13 Let me give you a little bit of perspective on
14 our compounding risk, reliability risk. And really, when
15 we think about planning, historically, planning has been
16 looking at 30-year averages and evaluating our needs for
17 recent resources based on that. And as we've all seen, the
18 last ten years, even the last five years, have been
19 substantially different than in terms of conditions of what
20 we've seen compared to 30 years ago. So we really need to
21 rethink how we evaluate the history and how we think about
22 where we're moving forward.

23 We saw that, in 2020, when we had the outages, we
24 had extreme heats that were record breaking in the state,
25 which, of course, were subsequently exceeded in September

1 of this year. We saw some profound increases which led to
2 some rolling outages.

3 As a result of that the agencies took quite a few
4 actions to help bolster the system to make sure that we did
5 not have that repeat again. CPUC called on and made an
6 unprecedented procurement order to help with that process.
7 We worked at including climate change into our planning,
8 something that has been initiated but is a long way to go
9 to bring us to where we need to be for truly considering
10 climate change more collectively in our planning processes.
11 And we identified some contingency measures or resources
12 that we could call upon that are not part of our typical
13 suite of resources that we could have available to us in
14 the course of an emergency.

15 But as we've seen in 2021 and 2022, we had
16 compounding issues. We had, again, extreme heat. We had
17 drought that continued, and extreme drought. We had
18 wildfires, particularly we had the Bootleg Fire in Oregon
19 last year which resulted in 3,000 megawatts of transmission
20 that was not available to CAISO.

21 We also saw, during COVID, and just in general
22 for the types of resources that we're -- clean resources
23 were procuring, supply chain issues being a problem. They
24 were a problem, as I mentioned, because of COVID. But they
25 also continue to be a problem. And those are the problems

1 for resources that we're relying upon to bring on the
2 system to provide support for retirement of future thermal
3 resources that we currently have online.

4 All of this drew to the point where the Governor
5 proposed a Strategic Reliability Reserve earlier this year,
6 that reserve was finalized or came to fruition through AB
7 205, and we'll talk a little more about that detail, and
8 gave authority for DWR and CEC to implement some programs
9 to provide additional resources, and we'll talk about that
10 in a minute.

11 But as we see, these issues continue to compound,
12 continue to get worse. Prices have gone up. Developers
13 are concerned about the prices and the ability to get new
14 projects online. So we have a lot of work to do to help
15 prepare for those and be able to improve our planning
16 processes to be available for those.

17 Next slide.

18 Let me put it in some -- in a different
19 perspective. So I'm going to create a resource stack based
20 on the situation that's that we see ourselves in.

21 So we have a traditional planning standard, one
22 in ten, that we try to meet. And we procure or we
23 authorize procurement to that planning standard. So for
24 example, that would have happened last year, based on the
25 demand forecasts that we had provided early last year. And

1 that's a certain number of resources.

2 Between last year and this year, conditions can
3 change, drought can change, hydro conditions as a result of
4 that can change, economic situations can change, and so
5 therefore, demand can change, other factors can change. So
6 on top of what was authorized previously, you have
7 additional resources that may need to be brought online to
8 cover those changing conditions.

9 On top of that, as I mentioned, we have some
10 supply chain issues and some delays in projects coming
11 online. And there may be additional resources that need to
12 be available to cover those resources that don't come
13 online when they need to be. We have the extreme heat
14 that's not covered in our one-in-ten planning standards, so
15 that would be additional resources to cover the events like
16 we saw in September. And then we have situations where we
17 have extreme drought or the fire, like I mentioned, the
18 Bootleg Fire, and additional resources to cover those kinds
19 of situations. We don't procure to all of those. We
20 procure to meet our planning standard.

21 But we have -- if you can go one more?

22 We have a number of resources that we may need to
23 cover a coincident event. So drought, fire, extreme heat,
24 all of that is not something we normally procure for as we
25 may have some additional resources that we need to cover

1 that. And, again, part of that was the reason for having
2 the Strategic Reliability Reserve.

3 Next slide.

4 Looking at our analysis, CalISO and CEC looked at
5 the beginning of the summer, looked at our situation for
6 the summer, and determined that if we look at the
7 challenges that we had, about 1,700 megawatts additional to
8 cover the difference between what was procured and what was
9 needed and the updated forecast, we could have as many as
10 600 megawatts of delays and projects. And we could have,
11 as I mentioned, 4,000 to 5,000 megawatts if we have a fire
12 event, like the Bootleg Fire, and other extreme events like
13 additional drought.

14 So we predicted that we could need as many as
15 7,000 megawatts this summer. And that could be going up to
16 as many as 10,000 megawatts additional by 2025 to keep the
17 lights on during these coincident events. We've been very
18 fortunate that we've not had coincident events. The fire
19 was individual from other events but we have not seen the
20 situation, but we could see a situation where all of those
21 combine at the same time.

22 Next slide.

23 As I mentioned, the agencies looked at some
24 options to provide some contingency resources that we could
25 bring online during those situations where we have the

1 extreme heat and identified up to about 2,000 megawatts of
2 resources that could be, in the first case, operational, so
3 generally, resources that CalISO can bring online to make
4 those available during an emergency.

5 We have additional supply-side resources, you'll
6 hear a little bit about DWR as temporary generators, and
7 efficiency improvements at power plants, and demand side.
8 We're pretty much well aware of the Flex Alert Program,
9 which is valuable. And CPUC set up the Emergency Load
10 Reduction Program, the Demand Side Grid Support Program,
11 which was stood up by CEC this year, which is equivalent to
12 the ELRP Program but for POUs, and a number of other
13 activities, for example, DWR, shifting their pumping loads
14 to help during those emergency situations. And as we saw
15 this summer, voluntary reductions by large users, which
16 made a big difference.

17 Next slide.

18 Let me talk a little bit about September 6th. So
19 as the Vice Chair mentioned, we had a really hot day,
20 September 6th, which was part of a multiday heat event from
21 August 31st until September 9th, so many days of extreme
22 heat. September 6th tended to be the worst day of that
23 period. The demand under a normal situation is the gold
24 line on this graph, which is around 44,000 megawatts. And
25 you can see that the heat caused our demand to go much

1 higher than we ever would have predicted it from an average
2 perspective. And as the Vice Chair mentioned, it could
3 have gone up to as much as 53,000 megawatts. We peaked out
4 at 52,000 megawatts that day.

5 And looking at that demand, that is equivalent --
6 so normally if we think about an average demand being 1-in-
7 2, which is the gold line, what we actually saw was closer
8 to like 1-in-27 if you consider a 30-year rolling average,
9 or 1-in-14 if you consider a 20-year average. And that's
10 important, as I mentioned, because if you consider a
11 shorter timeframe, you're considering more of those impacts
12 from climate change than if you look back over a 30-year
13 period.

14 We had a number of activities occur. So we had
15 Flex Alerts all those days. We also had a number of
16 resources that came online from the contingencies. We
17 worked very hard to help bring that demand down. And one
18 of the key strategies was the Wireless Emergency Alert that
19 CalOES called. And that, as you can see from the slide --
20 if you keep going, clicking through, there we go -- if you
21 see where that wireless alert was, you can see right before
22 that cliff, it made a big difference. So California
23 customers reacted to that Emergency Alert and dropped their
24 loads substantially.

25 And as the last, the bottom portion, of this

1 graph shows, you can see why we're in this situation, solar
2 goes down at the time that we need additional resources.
3 And although we had good performance from storage, and we
4 had some wind increase, it's not enough to compensate. And
5 so we have some challenges during that net peak period from
6 4:00 to 9:00. So our critical areas that we're always
7 thinking about are that 4:00 to 9:00 timeframe.

8 Next slide.

9 As I mentioned earlier, there were a number of
10 actions that were taken by the agencies, in addition to
11 California customers, to help us during that day. The
12 Strategic Reliability Reserve kicked in about 1,600
13 megawatts of resources. That includes additional
14 generation and imports that DWR was able to provide, as
15 well as support from the Demand Side Grid Support Program.
16 So the resources provided in the Strategic Reserve from
17 legislation the summer already provided value during the
18 September heat event.

19 We also had our contingency resources that we
20 brought on, as well as other resources. For example, DWR
21 made an extra effort to maximize their hydro and minimize
22 they're pumping during that period to have additional
23 support during that time period.

24 So those collective actions are really what
25 helped us during that time but we have a lot more to do.

1 So that sets the stage for where we currently are
2 with our reliability situation.

3 Now what we're going to do is we're going to turn
4 to a discussion about the requirements that were
5 established by the Governor and legislature this summer to
6 help continue to bolster the grid and provide additional
7 reliability for the system.

8 We've asked, in addition to CEC, CPUC and DWR to
9 join us because, as you're going to hear, there are a
10 number of requirements from multiple bills, it can be very
11 confusing, it's challenging for us to keep them all
12 straight, I'm sure it's challenging for those who are not
13 working on it day to day to keep it focused, so we're going
14 to go through all those requirements by agency so you can
15 understand what each agency is on -- is working on, but
16 also understand the overlap or the or the
17 interconnectedness of these risk requirements, and
18 understand that all of the agencies are working very
19 closely together to make sure that we meet these
20 requirements and we do it in a in a coordinated fashion.

21 We're going to have speakers first. Our first
22 speaker is from CEC, Lisa DeCarlo, who's a Senior Attorney.
23 She'll give the CEC requirement overview. Then we're going
24 to move to Pete Skala, who will be giving the overview from
25 the CPUC perspective of all their requirements. And then

1 finally, we have Ted Craddock, Deputy Director at
2 Department of Water Resources, who will be given the DWR
3 overview of requirements.

4 So to that, I'll turn it over to Lisa first, and
5 she'll give the overview, and then we'll just walk through
6 each of the individual speakers. And then we'll follow
7 that with Q&A.

8 MS. DECARLO: Thank you, David.

9 Good morning. I am Lisa DeCarlo, Energy
10 Commission Senior Attorney with the Chief Counsel's Office.
11 And I will be providing an overview of some of the many
12 programs and responsibilities the legislature has recently
13 tasked the Energy Commission with under the umbrella of
14 clean energy alternatives to -- for reliability.

15 Next slide, please.

16 These are the four key bills we'll be discussing
17 today.

18 Next slide. please.

19 And this gives you a sense of the scope of the
20 programs and requirements relevant to today's discussion.
21 I'll touch on each of these in the slides that follow.

22 Next slide, please.

23 Starting with AB 205, one of its main features
24 was creating the Strategic Reliability Reserve, which was
25 adopted to ensure electric electricity reliability as the

1 state contends with climate change-induced extreme events
2 as it transitions to a clean energy future. Along with
3 providing funds and authority to the Department of Water
4 Resources to purchase or contract for resources to support
5 summer reliability, the Reserve contains three components
6 applicable to CEC: the Demand Side Grid Support Program, or
7 DSGS, the Distributed Electricity Backup Assets Program, or
8 DEBA, and the permitting of DWR Strategic Reliability
9 Reserved facilities. And I'll just discuss each of these
10 three components in a little detail.

11 DSGS is meant to incentivize dispatchable
12 customer load reduction and backup generation operation as
13 on call emergency supply and load reduction for the state's
14 electrical grid during extreme events. In August, the CEC
15 adopted guidelines to implement the DSGS Program, which
16 proved invaluable, as David mentioned, to meet reliability
17 needs during the early September heat storm. By last
18 count, 315 megawatts were enrolled in the program, and it
19 resulted in a dispatch of 299.7 megawatts on the highest
20 day, September 8th. We are currently evaluating how the
21 program performed and determining if improvements are
22 necessary to optimize the program for next summer.

23 The DEBA Program is meant to incentivize the
24 construction of cleaner and more efficient distributed
25 energy assets to serve as on-call emergency supply or load

1 reduction for the state's electrical grid during extreme
2 events. The CEC may allocate monies for efficiency
3 upgrades, maintenance, and capacity additions to existing
4 power generators, and for deployment of new zero or low
5 emission technologies, including fuel cells and energy
6 storage that exists at existing facilities.

7 We anticipate issuing a request for information
8 next week to, among other things, obtain input on how best
9 to implement this program. And we look forward to engaging
10 with stakeholders in the program's development.

11 The CEC's permitting authority for DWR facilities
12 begins on October 31st of this year. And we recently
13 adopted emergency regulations to implement this program.
14 The types of facilities that fall under this permitting
15 authority include new emergency and temporary power
16 generators of 5 megawatts or more, new energy storage
17 systems of 10 -- of 20 megawatts or more that are capable
18 of discharging at least two hours and that are located
19 outside the Coastal Zone and the jurisdiction of the San
20 Francisco Bay Conservation and Development Commission,
21 generation facilities using clean zero-emission fuel
22 technology that are located outside the Coastal Zone and
23 the jurisdiction of the San Francisco Bay Conservation and
24 Development Commission.

25 In order for the CEC to grant a permit, a site

1 must have been previously disturbed, and have access to the
2 infrastructure and resources needed to operate the proposed
3 facility. The CEC may not certify a site in state,
4 regional, county or city parks, wilderness, scenic or
5 natural reserves, areas for wildlife protection,
6 recreation, historic preservation, natural Preservation
7 Areas in existence since 1974, or estuaries in an
8 essentially natural and undeveloped state.

9 Next slide, please.

10 AB 205 also expanded our preexisting authority
11 over thermal power plants 50 megawatts or larger to
12 include, at the election of a developer, the facilities
13 noted here. Under this program, our licenses in lieu of
14 all other state and local permits, with the exception of a
15 few state and regional agencies, including the Public
16 Utilities Commission, State Lands Commission, Coastal
17 Commission, San Francisco Bay Conservation and Development
18 Commission, State Water Resources Control Board, and
19 Regional Water Quality Control Board.

20 A few weeks ago we adopted emergency regulations
21 to implement this program and have put in place to
22 interagency agreements the statute requires. This program
23 has very robust public comment engagement requirements and
24 mandates the production of an Environmental Impact Report
25 under CEQA, the California Environmental Quality Act, to

1 evaluate projects impacts.

2 In order to avail themselves of the streamline
3 permitting process, applicants must pay prevailing wage or
4 an equivalent, use a skilled and trained workforce or
5 equivalent, and enter into a community benefit agreement.
6 And in order to grant a permit under this process, the CEC
7 must make several findings, including that the project will
8 have a net positive economic benefit to local governments.

9 Next slide, please.

10 AB 205 also provides funds for the CEC to
11 implement long-duration storage projects for the purpose of
12 deploying innovative energy storage systems to the
13 electrical grid to provide critical capacity and grid
14 services. Projects are eligible for funding if they have a
15 power rating of at least 1 megawatt and are capable of at
16 least eight hours of continuous discharge. This program
17 will fill a critical funding gap that exists in the later
18 stages of technology development.

19 Next slide, please.

20 Lastly, AB 205 directs the CEC, in consultation
21 with DWR, the PUC, and California balancing authorities,
22 including CalISO, to issue a written report to the Joint
23 Legislative Budget Committee evaluating three elements: how
24 the state load-serving entities, publicly-owned utilities,
25 and California balancing authorities managed summer

1 reliability during 2022; the magnitude of projected
2 reliability problems in 2023 through 2026; and potential
3 solutions to addressing reliability concerns.

4 In preparing the report, the CEC shall evaluate
5 options that rely on state budget actions, statutory
6 changes, and using existing resource adequacy, integrated
7 resource planning and other reliability processes at the
8 PUC and CalISO to ensure reliability.

9 Next slide, please.

10 Now I'll turn to the provisions of AB 209. In
11 addition to providing funding for a number of new programs,
12 which I'll briefly touch on in the next slide, AB 209
13 direct to CEC, by December 31st, 2023, to develop
14 recommendations about approaches to determine an
15 appropriate minimum planning reserve margin for publicly-
16 owned utilities within the CalISO balancing authority area,
17 sufficient to ensure each POU is adequately accounting for
18 its contribution to reliability in the CalISO balancing
19 authority area.

20 The development of these recommendations will
21 occur in a transparent public process that includes input
22 from industry stakeholders, and in collaboration with
23 CalISO and POU representative. The recommendations will
24 include an implementation timeline, taking into account
25 potential impacts on resource needs and availability of

1 clean energy resources. POU's are directed to use
2 recommendations in their Integrated Resource Plans.

3 Next slide, please.

4 AB 209 also establishes and funds several new
5 programs for the CEC to implement. I won't have time to
6 describe these in detail, but these programs include the
7 Industrial Grid Support and Decarbonization Program, the
8 Food Production Investment Program, the Hydrogen Program,
9 the Equitable Building Decarbonization Program, Offshore
10 Wind Infrastructure Improvements, the Carbon Removal
11 Innovation Program, the Voluntary Offshore Wind and Coastal
12 Resources Protection Program, and the Climate Innovation
13 Program.

14 Next slide, please.

15 Next I'll cover the various directives in Senate
16 Bill 846.

17 VICE CHAIR GUNDA: Lisa, just a quick minute
18 here, just to make sure. You know, there's a lot of
19 requirements there in 205 and 209.

20 Let me just see if Commissioners have any
21 questions before we jump into 846, because it's a separate
22 element.

23 COMMISSIONER MONAHAN: Hi. This is Commissioner
24 Monahan. I do have a question, just a basic one.

25 I'm not sure if it's for David or for Lisa, it's

1 probably for David, but for the report that we're going to
2 be issuing on January 31st, will we be able to have an
3 estimate of what the contingency resources delivered in the
4 middle of that heat event? Right now we don't have that
5 data but will we have it soon?

6 MR. ERNE: Yes, we are putting together the
7 information that will describe what those contingencies
8 brought during that period.

9 COMMISSIONER MONAHAN: And I do want to say, it's
10 really great to be able to hear just all the different
11 aspects of AB 205. So appreciate the presentations by both
12 David and Lisa. It's really helpful.

13 VICE CHAIR GUNDA: Thank you, Commissioner
14 Monahan.

15 And other -- it like, Commissioner Houck, you
16 have question.

17 COMMISSIONER HOUCK: I just wanted to ask if the
18 report, since you're looking at problems for 2023 through
19 2026, if you're also going to be including some of the
20 additional electricity requirements we're going to need for
21 decarbonization and electric vehicle transition?

22 MR. ERNE: Yes, Commissioner, we will be looking
23 at that, both for this report, and you'll hear, as Lisa
24 continues on 846, there's another report that's going to be
25 a CPUC-CEC Reliability Report due December 15th. So some

1 of that will be in the December 15th Report, as well as the
2 CEC's report in January.

3 VICE CHAIR GUNDA: Lisa, for me, I mean, given
4 that this is a presentation for the record, would we want
5 to go back to, quickly, the key legislative requirements,
6 specifically to, you know, the slide 14 that you had? I
7 wanted to just make sure that we talked through a little
8 bit about the constraints of the 205 Program, especially
9 DEBA. I think -- I know we're going to touch on that later
10 today, you know, but if you could provide any broad strokes
11 on, you know, how the 205 was structured in terms of the
12 constraints versus the moneyed politics, which we'll get
13 to?

14 MS. DECARLO: Sure, in terms of what could be
15 funded? Yes, definitely.

16 So there are two broad categories of types of
17 activities or projects that could be funded under DEBA.
18 One is efficiency upgrades, maintenance, and capacity
19 additions to existing power generators for deployment of
20 zero or low emission technologies, and this includes fuel
21 cells and energy storage at existing facilities. Sorry, I
22 think I combined two of those. So it's generally zero- or
23 low-emission technologies, mainly at existing facilities.

24
25 VICE CHAIR GUNDA: So that's the supply side;

1 right? And then the demand side is probably -- you
2 mentioned the disputed assets on the demand side. I'm just
3 kind of trying to have this for the broader conversation so
4 people can ask questions. Yeah, we could jump into it
5 later.

6 MR. ERNE: And I also know, Vice Chair, that
7 DEBA, as part of the strategic reserve, is meant for
8 providing resources during emergency situations. It could
9 provide resources outside of that, but the primary goal is
10 to provide those during emergency situations. So
11 differentiating that from some of the other programs that
12 Lisa mentioned, which are -- you know, could be applied at
13 any time as general load reduction resources. So we'll
14 talk a lot about that more this afternoon, as well.

15 MS. DECARLO: Alright, so let's jump into SB 846.

16 First is the requirement that the CEC and the
17 CPUC submit a joint Reliability Planning Assessment to the
18 legislature on or before December 15th, 2022, and quarterly
19 thereafter. This assessment must include a number of
20 elements, a few of which are listed on this slide. In
21 general, the assessment must identify estimates for the
22 electrical supply and demand balance for the forward five-
23 and ten-year period under high, medium and low risk
24 scenarios.

25 Separate from this report, the CEC must continue

1 to report on California energy resources that serve
2 California load in the energy almanac. The CEC is also
3 directed to expand the almanac to include storage resources
4 that serve wholesale load and, specifically, to report on
5 resources that serve load in the CalISO system.

6 Next slide, please.

7 Senate Bill 846 also directs the CEC to take the
8 following four actions with respect to the Diablo Canyon
9 Nuclear Power Plants.

10 First, within 180 days after PG&E submits an
11 application for funding to DOE for the power plant, the CEC
12 is required to determine two things: one, whether the
13 state's electricity forecasts for Calendar Years 2024 to
14 2030 show potential for reliability deficiencies if the
15 Diablo Canyon Power Plant operation is not extended beyond
16 2025; and two, whether extending operations of the Diablo
17 Canyon Power Plant to at least 2030 is prudent to ensure
18 reliability in light of any potential for supply
19 deficiency, and it's consistent with California emissions
20 reduction goals?

21 PG&E submitted their application on September
22 2nd, 2022. Therefore, the CEC's determination is due March
23 1st, 2023. The CEC will make this determination through a
24 public process in consultation with CalISO and the PUC, and
25 by vote of the Commission at a business meeting.

1 Second, by July 1st, 2023, the CEC must publish a
2 report that assesses the operation of the Diablo Canyon
3 Power Plant. This report must include outage information,
4 power plant operational costs, average revenues from
5 electricity sale, worker attrition, and the power plant's
6 contribution to resource adequacy requirements. The report
7 must also be published by July 1st of each year following
8 initial publication until 2031. And it must be developed
9 in coordination with the PUC and CalISO.

10 Third by September 30th, 2023, the CEC must
11 present a cost comparison of whether extended operations of
12 the Diablo Canyon Power Plant, compared to a portfolio of
13 other feasible resources available for Calendar Years 2024
14 to 2035, is consistent with the state's greenhouse gas
15 emissions reduction goal. In doing this cost comparison,
16 the CEC is required to evaluate the alternative resource
17 costs and make the evaluations available to the public
18 within the preceding docket.

19 Lastly, if at any time the cost of extension
20 exceeds the loan limits provided in agreement between PG&E
21 and DWR, the CEC must reevaluate the cost effectiveness of
22 prolonging Diablo Canyon's operation.

23 Next slide, please.

24 SB 846 also directs the CEC, by June 1st, 2023,
25 and in consultation with the PUC and CalISO, to adopt a

1 goal for load shifting to reduce net peak electrical demand
2 and recommend policies to increase demand response and load
3 shifting that do not increase greenhouse gas emissions or
4 increase electric rates. The CEC must consider the
5 findings of the 2020 Lawrence Berkeley National Laboratory
6 Report on the Shift Resource Through 2030, and other
7 relevant research ,and must adjust the load shifting target
8 in the biannual Integrated Energy Policy Report, or IEPR.

9 Next slide, please.

10 The last directive to the CEC and SB 846 is to
11 develop the Clean Energy Reliability Investment Plan, or as
12 we affectionately call it, CERIP, to support programs and
13 projects that accelerate the deployment of clean energy
14 resources, support demand response, assist ratepayers, and
15 increase energy reliability. CERIP will support
16 investments that take into account all of the following:
17 California's anticipated electricity supply and demand
18 needs for near and midterm reliability; the advancement of
19 the state's policies towards 10 percent zero-carbon and
20 renewable energy resources by 2045; and the state's
21 greenhouse gas emissions reduction target for the
22 electricity sector.

23 Further, the Investment Plan must support the
24 energy loading order, including investments in preferred
25 resources, such as demand response and energy efficiency,

1 and reduced demand during the net peak load. The Plan will
2 be developed in consultation with the PUC and Air Resources
3 Board and must be developed with input from interested
4 parties at scheduled public workshops and hearings and
5 adopted at a publicly-noticed is this meeting.

6 Next slide, please.

7 Lastly, SB 423 directs the CEC, by December 31st,
8 2023, and in consultation with the PUC, CalISO, and the ARB
9 to submit to the legislature and assessment of firm zero-
10 carbon resources that support a clean, reliable and
11 resilient electrical grid in California, and will achieve
12 the state's policy that renewable energy and zero-carbon
13 resources supply 100 percent of retail sales and 100
14 percent electricity procured to serve state agencies by
15 2045. We are also directed to incorporate this information
16 into the IEPR.

17 Firm zero-carbon resources, are electrical
18 resources that can individually, or in combination, deliver
19 zero-carbon electricity with high availability for the
20 expected duration of multiday extreme or atypical weather
21 events, including periods of low renewable energy
22 generation, and facilitate integration of eligible
23 renewable energy resources into the electrical grid and the
24 transition to a zero-carbon grid.

25 This bill will accelerate the development and

1 procurement of a diverse set of additional clean energy
2 resources to bolster electrical grid reliability and
3 resiliency and support economic development and job growth
4 in a manner that aligns with the state's clean energy
5 objective.

6 Next slide, please.

7 And finally, I will end with a picture of what
8 all these statutory deadlines look on one slide, spanning
9 the next 13 months.

10 This concludes my presentation. Thank you for
11 sticking with me. It was a lot to cover.

12 VICE CHAIR GUNDA: Yeah, thank you, Lisa. So I
13 kind of just want to give you and CCO and Linda Barrera a
14 special thanks. Over the last several months, and I know
15 how many nights and weekends you all worked on crafting,
16 helping with the language, and everything, so just a
17 sincere thank you. And thanks for that construction.

18 I see a number of questions coming through the
19 chat for, specifically, looking at the transcript, because
20 it's very dense material that we provided. So, you know, I
21 think I see the answers, that we are going to provide the
22 transcript to this. So let's docket, to the extent
23 possible, all the connections.

24 One thing we didn't really get into during your
25 presentation, if, you know, David and you can just spend

1 some time on, how you look at all the different things or
2 the next, you know, 13 months, but also the PRM study. I
3 don't think we talked about that specifically during the
4 presentation.

5 MR. ERNE: Okay. So the PRM was discussed back
6 in -- on slide 19 as part of AB 209's summary. And so
7 there is a fair amount of work to be done in preparation
8 for that.

9 But instead of going back to that slide, I want
10 to take a look at the slide that Lisa put up here on a
11 schedule, which is a different way of looking at all those
12 requirements. So the requirements are pulled out, as Lisa
13 did, by each of the individual pieces of legislation. This
14 is meant to talk a little bit about or help to understand
15 what those are relatively specific topics.

16 So the top line, Reliability, shows the
17 Reliability Reports, including the PRM Assessment, very
18 focused on that, although I will mention that there is
19 overlap among these, the three bars that we have going
20 across the slide, because there is a component looking at
21 clean energy alternatives in the reliability requirements.
22 There's a element of looking at clean energy alternatives
23 and the Diablo Canyon slice. And, obviously, there's the
24 clean energy in the bottom.

25 And so the reason for having our discussion

1 today, particularly this afternoon, is because we have a
2 number of requirements to be considering different clean
3 energy alternatives across a number of different bills, a
4 number of different themes, if you will. And so this
5 afternoon's discussion is meant to take a holistic look, a
6 broad look at that. And then we'll, as we develop that
7 analysis, we will utilize portions of it to support each of
8 those individual elements.

9 So that's kind of how all of this ties together
10 and relative to the workshop today. But we will be having
11 other workshops that will be a little bit more focused on
12 individual elements in here. But what we'll try to do to
13 make it easier for the public is, where we can, we will
14 combine topics, since there's so much overlap, so we don't
15 give people workshop fatigue. But there's quite a bit for
16 us to cover. And I'll talk a little about the workshop,
17 kind of preliminary plan, this afternoon to cover that.
18 But, yeah, there's a fair amount of overlap among the
19 different topics.

20 Does that answer your question, Vice Chair?

21 VICE CHAIR GUNDA: Yeah. Thank you.

22 Just if, Lisa, you have the PRM statute
23 available? Sorry. I mean, I think it's --

24 MS. DECARLO: Oh, that's okay. Yes. It's Public
25 Resources Code 25704.5. And I can provide a little bit

1 more detail about the PRM. So here are the basic
2 requirements provided for in the statutory language.

3 We're obligated to provide, through a transparent
4 public process, a recommendation, including industry
5 stakeholders, and indirect collaboration with POU's and the
6 Independent System Operator, recommendation about
7 approaches to determine an appropriate minimum planning
8 reserve margin for POU's, specifically within the CalISO
9 balancing authority area, sufficient to ensure that each
10 POU is adequately accounting for its contribution to
11 reliability in that area. And these approaches that are
12 supposed to form the basis of our recommendation, they can
13 vary by utility type, and they should take into
14 consideration climate change, extreme weather events, cost
15 effectiveness, and feasibility.

16 We're also obligated to provide an implementation
17 timeline, taking into account potential impacts on resource
18 needs and the availability of clean energy resources. And
19 the statute directs the POU's to then use those
20 recommendations in their Integrated Resource Plans.

21 And then finally, from time to time, the CEC is
22 obligated to revise them as appropriate and in accordance
23 with the processes set forth in statute to make sure -- and
24 the revision shall make sure that the POU's are adequately
25 accounting for their contribution to reliability as the

1 years go forward.

2 VICE CHAIR GUNDA: Thank you so much. There were
3 questions coming on that, so I wanted to make sure it's on
4 record. Thank you.

5 MR. ERNE: Any further questions from the dais?
6 Alright.

7 Why don't we move next to our presentation from
8 Pete Skala from the CPUC. He's the Director of Electricity
9 Supply, Planning, and Cost, and he'll be reviewing all of
10 the legislative requirements for the CPUC.

11 Pete?

12 MR. SKALA: Morning, everyone. I'm coming
13 through okay?

14 MR. ERNE: Yes, we can hear you very well.

15 MR. SKALA: Okay. Great. Thanks.

16 So the primary piece of 2022 legislation with
17 CPUC requirements that are relevant to the topic of this
18 workshop is Senate Bill 846 which requires the CPUC to take
19 a number of actions on its own, and also directs the CPUC
20 to take joint action with or provide support to other
21 agencies. I'll cover both these categories. And then I
22 will also identify relevant CPUC actions required by
23 Assembly Bills 205 and 209.

24 Next slide, please.

25 So the first CPUC requirement in SB 846 is to,

1 within 120 days, issue a decision authorizing PG&E to take
2 actions to extend the operations of the Diablo Canyon and
3 to track all costs, both the DWR loan costs and CPUC
4 jurisdictional repair costs.

5 As President Reynolds mentioned in her opening
6 remarks, we've already reopened the relevant proceeding and
7 are well on track to complete that first requirement. And
8 by the end of next year, it's 12/31/23, we are to determine
9 a final closure date for the two units where -- should the
10 dates -- should we determine a date that is different than
11 the five-year extensions and shorter than the five-year
12 extensions identified in the statute.

13 There is also a direction to go do a number of
14 things within what's referred to as an ERRA-like Energy
15 Resource Recovery Account-like proceeding. The ERRA
16 proceedings are a function of decoupling in which
17 generation and electricity costs are litigated separate
18 from the general rate cases of the utilities, because those
19 are all passthrough costs.

20 And so, generally, there's two phases to those
21 proceedings, and sometimes two proceedings. One is a
22 forecasting phase that allows the utilities to put into
23 rates the expected costs for their energy spends, and then
24 there's a true-up, and after, you know, a proceeding that
25 looks at the costs and determines reason reasonableness.

1 So within that, those proceedings, were directed
2 to, you know, set them up and implement them in a manner
3 that enables PG&E to recover the reasonable costs and
4 expenses of operating Diablo Canyon, authorizes PG&E to
5 recover rates, and rates the operating fees that are
6 identified in the legislation during the period of extended
7 operations, and also determine whether PG&E is liable for
8 any above market costs, energy costs, that result from any
9 extended outages that the PUC determines were the result of
10 continuing to not conforming with a prudent, reasonable
11 manager standard.

12 We're also directed to establish new cost
13 allocation mechanisms to recover costs from all CPUC
14 jurisdictional entities. This is a mechanism that already
15 exists for each of the three large IOUs when they're
16 directed to make a procurement, typically reliability
17 resource that the -- for which there -- you know, all
18 customers in their territories benefit from so they are
19 spread out, those costs and benefits are spread across all
20 benefiting customers. We don't currently have a mechanism
21 that does that across multiple IOU territory, so we'll need
22 to create a new cost allocation mechanism for that purpose.

23 We're also directed to authorize PG&E to recover
24 reasonable replacement power costs if incurred during any
25 Diablo unplanned outage period. So this is really -- it's

1 called out separately, but it would happen in that same
2 ERRA proceeding. And this would be an instance in which
3 there was an outage that the PUC determined, you know, was
4 not the result of -- you know, didn't violate the prudent
5 reasonable manager standard and that they would be
6 permitted to recover those costs if that were the case.

7 Another requirement is to determine whether and
8 how much additional decommissioning funding is needed and
9 authorized PG&E to collect that as needed.

10 Next slide, please.

11 These are still CPUC's, you know, specific
12 requirements. They have been directed to ensure that
13 sufficient funding for the Diablo Canyon Independent Safety
14 Committee exists to attract qualified experts, and also
15 required PG&E to respond to the findings and
16 recommendations of the Committee and distribute those
17 responses to various public entities.

18 We were directed to determine the disposition of
19 Diablo Canyon properties in a manner that best serves the
20 interests of the local community, ratepayers, California
21 Native American tribes, and the state. Also directed to
22 ensure that the energy and the capacity and clean energy
23 attributes of Diablo Canyon are excluded from all IRP
24 portfolios developed by the CPUC or CPUC jurisdictional
25 load-serving entities beyond the current license expiration

1 date. So, basically, that all of our forward planning for
2 in the integrated resource planning process does not
3 include extended operations of Diablo and factor that in
4 any way.

5 At any point during the license renewal process
6 or extended operations period, there are several different
7 references and directions for offramps if we determine --
8 if the PUC determines that continued operations are not
9 reasonable as a result of the cost of performing upgrades
10 needed to continue the operations for, you know, one or
11 both units.

12 And then, finally, we are directed to verify, at
13 the conclusion of the extended operation period, that PG&E
14 sole compensation during the period of extended operations
15 is limited to the payments, the volumetric and fixed
16 payments, identified in the legislation.

17 Next slide, please.

18 So these are the tasks that CPUC is directed to
19 either play a joint role or a supportive role. And some of
20 this is going to overlap with Lisa's presentation, and
21 others will be stealing some of Ted's thunder.

22 So the first one is this joint quarterly
23 Reliability Planning Assessment that Lisa discussed.

24 The second is that we are -- DWR is directed to
25 conduct the semiannual loan class true-up. And the CEC is

1 directed to support that effort. We are already
2 coordinating with DWR to that end.

3 The CEC is also directed, in consultation with
4 the PUC and CAISO, to adopt that the goal for load shifting
5 that Lisa mentioned.

6 All relevant agencies, including the PUC, are
7 directed to consult and work collaboratively with local
8 California Native American tribes, including designating a
9 tribal liaison to consider tribal use, access use,
10 conservation, and co-management of Diablo lands. And the
11 agencies are directed to work cooperatively with tribes
12 interested in acquiring the Diablo lands.

13 In coordination with the CEC, the Independent
14 System Operator and DWR, we're directed to submit this
15 report to the legislature each year on the status of new
16 resource additions that Lisa mentioned.

17 And, finally, were directed to support the CEC in
18 developing an assessment of the Diablo operations that
19 lease also mentioned.

20 And next slide, please.

21 Finally, turning to relevant CPUC requirements in
22 Assembly Bills 205 and 209, 205, we are directed to develop
23 an income graduated fixed charge for residential rates.
24 And we are required to ensure that the lowest tier of the
25 fixed charge results in a lower average monthly bill for

1 low-income customers without making any change -- without
2 them making any change in their usage. And we're also
3 directed to ensure that the approved fixed charges do not
4 unreasonably impair incentives for beneficial
5 electrification and greenhouse gas reduction.

6 In AB 209, we are -- AB 209 allows that solar-
7 only projects, which were previously intelligent eligible
8 in the Self-Generation Incentive Program, SGIP, to begin
9 receiving incentives, and requires any additional
10 incentives for solar-only and solar-plus storage above the
11 SGIP's previously authorized ratepayer funded budget to
12 come from legislative appropriation.

13 And, finally, AB 209 allows CPUC staff to share
14 confidential information with California Independent System
15 Operator in order to facilitate coordination on some of the
16 various reports and forward-looking forecasts that we're
17 expected to perform collectively.

18 That concludes my presentation.

19 MR. ERNE: Thank you, Pete.

20 Vice Chair, would you like to take any questions
21 from the dais before we move to Department of Water
22 Resources?

23 VICE CHAIR GUNDA: Yeah. I'm just looking. I
24 don't have any questions for Pete.

25 MR. ERNE: Okay.

1 COMMISSIONER MCALLISTER: I did have one
2 question, actually. This is Commissioner McAllister.

3 VICE CHAIR GUNDA: Go ahead, Commissioner.

4 COMMISSIONER MCALLISTER: Pete, AB 209, I see it
5 has requirements for additional incentives for solar-only
6 and solar-plus storage. What's the status of storage-only
7 in terms of the incentive landscape?

8 MR. SKALA: That was already included. That was
9 already permitted. So I think that's why the built-in
10 focus on it.

11 COMMISSIONER MCALLISTER: Oh, it's already --

12 MR. SKALA: This program is largely a storage --
13 behind-the-meter storage program at this point.

14 COMMISSIONER MCALLISTER: Because standalone
15 storage is, from our perspective, is kind of fully enabled?

16 MR. SKALA: Correct.

17 COMMISSIONER MCALLISTER: Okay. Great. Thanks.

18 VICE CHAIR GUNDA: I have a follow-up question
19 too.

20 The SGIP Program, what's the current status on
21 the thinking of the PUC and timelines for that?

22 MR. SKALA: So that is -- I work on the bulk
23 power stuff, so I actually do not have a -- I can get you
24 that information but I don't know. I don't have it at
25 hand.

1 MR. ERNE: Thank you, Vice Chairman. Thank you,
2 dais.

3 So let's move to our last speaker, Ted Craddock
4 from Department of Water Resources, the Deputy Director
5 there.

6 Thanks Ted.

7 MR. CRADDOCK: Thank you, David. And good
8 morning, Commissioners, other members, and members of the
9 public. It's really good to see everybody today.

10 What I'm going to do is provide an overview of
11 DWR's role with the implementing the legislation,
12 specifically the Strategic Reliability Reserve, and also
13 Senate Bill 846.

14 I did want to just repeat what the other speakers
15 have said that this is really a collaborative effort
16 between DWR, the Energy Commission, CPUC, and the
17 Independent System Operator, and other agencies that we're
18 working with, and our partners. And so it's really a team
19 effort to move all this forward to support the state's
20 grid.

21 Next slide, please. And maybe move one more
22 forward as well?

23 So I think we've already, you know, covered the
24 different legislation that -- in the prior presentation, so
25 maybe we'll move past this slide, as well, and I'll just

1 cover, more specifically, the Department of Water
2 Resources' role. It's really focused on providing
3 additional resources to support the state's electric grid
4 specifically for extreme events, as David talked about
5 earlier.

6 This slide does have a picture of two of the 30
7 megawatt generators that we installed at the Roseville
8 Energy Center. And these generators, as David mentioned
9 earlier, with the other resources brought online and 2021
10 and 2022, are very critical in supporting the state's
11 electric grid during extreme September heatwave.

12 Next slide, please.

13 And so specifically in AB 205 and 209, DWR's role
14 is to identify, prioritize, and select new generation
15 projects as part of the Strategic Reliability Reserve to
16 develop and execute contracts and agreements for those
17 projects. We're also tasked with overseeing the
18 engineering, procurement, and completion of the different
19 types of projects and energy procurements, also ensuring
20 that we're complying with environmental requirements and
21 the certification processes, administering the funds, as
22 well, as part of the Strategic Reliability Reserve Fund.
23 And we've already talked about working, you know, very
24 collaboratively with our other agency partners and partners
25 in the industry and state.

1 And then additionally, there's specific
2 requirements regarding reporting. We'll be coming to the
3 Energy Commission's business meeting to provide a more
4 detailed report in November. And we'll be doing that on a
5 quarterly basis moving forward.

6 Additionally, we'll be providing reports to the
7 legislature, written reports, starting at the end of
8 January and quarterly thereafter, as well, in terms of the
9 work and details related to the Strategic Reliability
10 Reserve.

11 Next slide, please.

12 So the types of projects that were identified in
13 AB 205 are listed here. Lisa already did a nice summary of
14 these, but I will just maybe repeat that, you know, the
15 focus is on extending operations of retiring facilities
16 that can help fill that, you know, need to cover extreme
17 events. Also, emergency and temporary generators. The
18 emergency generators were really focused on the work that
19 was done this year. And then also storage systems greater
20 than 20 megawatts with certain characteristics, as you see
21 there. Zero-emission technologies, such as fuel cells.
22 And, also, helping to procure imported energy to support
23 the state's electric grid.

24 Next slide, please.

25 So I did just want to highlight the work that's

1 already been completed for this year that really did make a
2 difference and help during the September extreme heat
3 event.

4 So the combination of the emergency generators
5 that were installed last year, plus this year, at six sites
6 throughout the state, working with our partners at Southern
7 California Edison, Pacific Gas and Electric, Roseville
8 Electric, and Calpine resulted in a capacity of 200
9 megawatts that was available for peak emergency extreme
10 event needs to in September.

11 And then, additionally, working with our partners
12 that at the Southern California Edison, PG&E, and San Diego
13 Gas and Electric, we were able to also help procure 1,400
14 megawatts, or up to 1,400 megawatts, of imported energy to
15 support the grid as well.

16 And so just this year alone, the Strategic
17 Reserve, as David mentioned earlier has, you know, played a
18 role in really helping the grid.

19 Next slide, please.

20 And I just wanted to talk about the future
21 planned investments and the relation to the legislation.

22 So AB 205 and 209 also includes, you know,
23 forward-looking work, as described, to procure, you know,
24 additional temporary generators, also extend the life of
25 retiring plants that make sense to include in the Reserve.

1 What are currently being looked at are facilities, such as
2 those in the South Coast, to be extended for a few years
3 that, you know, help with the clean energy transition.

4 And then additionally, under Senate Bill 846,
5 we've worked been working with PG&E on developing
6 agreements to assist with the relicensing process or the
7 permitting process for Diablo Canyon, and then to help
8 facilitate funding, bridge funding, for a loan under the
9 Department of Energy's Nuclear Credit Program that was
10 authorized under the Bipartisan Infrastructure Act.

11 So that's really an overview of the activities
12 we've been doing as part of the climate and energy
13 legislation. And I look forward to providing, you know,
14 additional details at the upcoming business meetings here
15 with the Energy Commission, so thank you.

16 MR. ERNE: Thank you, Ted, Lisa and Pete.

17 So we'll now move to our Q&A portion. And we'll
18 start with the dais, and then we'll move to any questions
19 in the room, and then to those on Zoom. Remember that if
20 you want to ask a question and you're on Zoom, please use
21 the Q&A function. And we have -- Chie will be curating
22 those and providing those when we get to the Zoom portion.

23 So to you, Vice Chair.

24 MR. SKALA: Actually, this is Pete. Can I jump
25 in? Because I did get an answer to the question that was

1 asked earlier on the PUC status on implementing 209 and the
2 SGIP.

3 We did, actually, just issue a ruling on
4 Wednesday to implement 209 within the SGIP procedure.

5 VICE CHAIR GUNDA: Thank you, Pete.

6 So I think we have a lot of questions on the Q&A
7 box, which we'll use.

8 But I think I want to just take an opportunity to
9 say thanks to Ted and the entire team at DWR, Bezard
10 (phonetic) and Tony, for the amazing work you've done this
11 year. Bezard, I think all the way from 2020, you have been
12 in the middle of this, one way or the other. And, you
13 know, of all the state agencies, you know, the amount of
14 work that you brought to the table to keep the lights on
15 was tremendous. So I just want to give a big shout out to
16 DWR for the work and look forward to partnering with your
17 team.

18 I also want to elevate and thank Pete Skala,
19 specifically. Starting 2020, at root cause analysis, he's
20 been the front of reliability and has been doing tremendous
21 work behind the scenes, hours and hours that he puts in,
22 so happy thank you to you and the entire CPUC team that
23 supports you there, and also Luan (phonetic), who has been
24 an excellent addition to our team, so thank you.

25 And CAISO, just want to say, Pete, to you, Mark

1 Rothleder, Eliot, but also, you know, one of my favorite
2 people in the world, Delphine. So just to thank you for
3 all the work that you've done to keep the lights on, so
4 thanks.

5 I have plenty of questions. We'll come back and
6 use the time, if they're not elevated, but I'll defer to
7 other colleagues on the dais.

8 PRESIDENT REYNOLDS: I just also wanted to thank
9 all of the staff for me to the agencies. This has been an
10 extremely challenging time with a lot of complex
11 maneuvering to do and everybody stepped up to do their
12 part. And it's just, despite the challenges, amazing to
13 watch how well folks have worked together in the different
14 agencies to come up with solutions. And I really
15 appreciate all of the presentations and overview this
16 morning.

17 VICE CHAIR GUNDA: Commissioner McAllister, it
18 looks like you have a question. Go ahead.

19 COMMISSIONER MONAHAN: I do. I'm heaping on the
20 praise for the cross-agency collaboration, which has really
21 been tremendous. And Vice Chair Gunda and I were
22 commenting before about how sometimes crisis brings
23 collaboration, and this is a case where it definitely did.
24 And we're going to continue to need to collaborate really
25 deeply as we go forward.

1 And I have just a general question about how, I
2 guess we would just call it broadly, equity or, you know,
3 concerns around communities already disproportionately
4 burdened with air pollution, how the different reliability
5 strategies are addressing that issue? And I'm honestly not
6 sure whose in the best position. It might be Vice Chair
7 Gunda.

8 VICE CHAIR GUNDA: Yeah, I'll begin and pass it
9 to you, David and Lisa, if you want to add anything.

10 So, Commissioner McAllister, thank you on two
11 fronts, one, raising the question, and always keeping, you
12 know, equity in the middle of the conversation that we
13 don't forget.

14 So I think I've made a couple of comments in the
15 past about, you know, one of the sobering parts of this
16 reliability problem has been to really acknowledge that,
17 you know, some of the things we did this summer to keep the
18 lights on were to turn on every backup generator we could,
19 you know, and so that, oftentimes, are in communities that
20 we would not want them to be. And so just wanted to
21 acknowledge the problem that you just raised in terms of
22 the impact that that, you know, might have to be relied on,
23 especially in the near term.

24 So there are a couple of provisions. One is,
25 obviously, in the 205. There is mitigation requirements

1 for some of the things -- action we would take. So
2 especially CARB has a role in assessing them and supporting
3 exactly what the mitigation strategies should be.

4 The other element that we are talking about, you
5 know, as DWR contemplates the holding on and extending some
6 of the power plants, you know, I think that that's a
7 discussion we are discussing internally, and how best to
8 support that.

9 But I think this really elevates the conversation
10 we're going to have this afternoon, but the billion dollars
11 that we have, and then DEBA money: How do we want to spend
12 this money in a way that, you know, we accelerate cleaner
13 options as much as possible? And, also, the distribution
14 side of the equation; right?

15 I mean, the equity and communities have been
16 really raising the need for distribution-side investments
17 as a way to provide reliability and resiliency in the
18 community. So I think it's an important conversation and I
19 hope to have that.

20 But you're absolutely right, there are some
21 things we have in the language, but some we should do as a
22 matter of principle.

23 COMMISSIONER MONAHAN: I was thinking about how
24 we often talk about the loading order, which does -- which
25 can, you know, support equity by, basically, having sort of

1 the resources located in disadvantaged communities the last
2 resort. And you can also think about this unloading order,
3 so where do we want to start unloading assets that really
4 should be prioritized for decommissioning?

5 VICE CHAIR GUNDA: And I love that. So I think
6 we have been talking about that, but I like the unloading
7 term. Thank you.

8 MS. DECARLO: And there -- Lisa DeCarlo, Energy
9 Commission Staff Attorney -- there is a loading order in
10 implicit in DEBA. And let me take this opportunity to
11 provide a little more clarification on DEBA.

12 So I just want to clarify my previous statement
13 about the resources available under the program. So
14 there's two distinct categories. One is the efficiency
15 upgrades, maintenance, and capacity additions to existing
16 power generators. And then the second category is
17 deployment of new zero- or low-emission technologies, which
18 could include fuel cells or energy storage, among a number
19 of other technologies, add existing or new facilities.

20 And then the statute is very clear that
21 there's -- the guidelines that the Energy Commission needs
22 to adopt to implement the program needs to incorporate a
23 loading order for the distribution of funds, and that is:
24 first, priority should be going to feasible cost-effective
25 demand response and efficiency resources; second, to

1 feasible cost-effective renewable and zero-emission
2 resources; and last, would be feasible, cost effective,
3 conventional resources. So it doesn't talk about the
4 locations of these or disadvantaged communities but it's
5 definitely prioritizing the cleaner technologies for
6 implementation.

7 And then I'll just note that the funding
8 recipients in this program have to participate in, as an
9 emergency on-call resource, either in DSGS or another
10 program.

11 VICE CHAIR GUNDA: Thank you so much for that,
12 Lisa.

13 Neil?

14 VICE PRESIDENT MILLAR: Yes. Thank you, it's an
15 Neil Millar here with the ISO.

16 I just wanted to reiterate the importance, as
17 well, of having these, especially if we're talking about
18 transitioning out for the reasons are discussed, the
19 dependence on some of these local fossil fuels units, how
20 important it is that we have a tight plan in place, see it
21 coming, and know what the replacement resources are by
22 location. Because, to the extent some of these cannot be
23 replaced with clean energy sources in the same area, the
24 transmission that would be required to get into these areas
25 are generally going to be challenging to get cited and

1 permitted. So we will need to make sure we have adequate
2 time to get the grid reinforced if we're not able to
3 replace with local clean resources.

4 Thanks.

5 VICE CHAIR GUNDA: Any other questions from the
6 dais? Commissioner McAllister or Commissioner Vaccaro?

7 COMMISSIONER VACCARO: No, nothing more for me,
8 just thank you to everyone. This has been a very
9 informative morning. I appreciate it.

10 VICE CHAIR GUNDA: Thank you, Commissioner.

11 So with that, I'll pass it back to you, David,
12 for directing the Q&A.

13 MR. ERNE: Thank you, Vice Chair.

14 So we'll start with if there any questions in the
15 room? We have one question. They'll be coming up to the
16 dais -- or coming up to the table -- to the podium.

17 MR. JOHNSON: Good morning. Kurt Johnson from
18 the Climate Center.

19 If I understood correctly, by December, pursuant
20 to SB 846, there needs to be a forecast that looks at, you
21 know, load, and then reliability estimates based on their
22 available resources. It looks like in 205, there were some
23 capacity constraints in what can meet that load, but that
24 limitation is not present in the analysis for SB 846; is
25 that correct?

1 VICE CHAIR GUNDA: David, would you take that?

2 MR. ERNE: There were some constraints on the
3 capacity of the energy storage, for example, like it had to
4 be 20 megawatts. But pursuant to the analysis for SB 846,
5 there wouldn't be a preclusion of clean the DER that would
6 say be above, no.

7 MS. DECARLO: I think I understand. So the
8 constraints that I mentioned were specific to the Energy
9 Commission's permitting of DWR facilities for the authority
10 we were given for those portions of the facilities DWR is
11 allowed to engage in. But it doesn't pertain to our
12 analysis of implementing the other provisions in 846, or
13 these broader planning goals.

14 MR. JOHNSON: Yeah, I think that's really
15 important, because I want to call to folks attention that
16 the comments made by Chair Hochschild, I believe, I heard
17 on October 4th, when he was ballparking, he said, hey, we
18 got, you know, say a million electric vehicles, ballpark it
19 at 10 gigawatts, if you project forward say, okay, by 2030,
20 low end, maybe we got 5 million EVs, so there's, you know,
21 50 gigawatts. You know, we just allocated \$10 billion for
22 this ZEV budget, so I think it's those are fair
23 assumptions.

24 And then just say, okay, well, if there's 50
25 gigawatts of EVs by 2030, you know, what are we doing to

1 sort of harness those to, you know, meet reliability;
2 right? So then that would mean, say, four percent of those
3 if they were sort of online between 4:00 and 9:00 p.m.
4 Well, that's the rough capacity equivalent of Diablo.

5 So my question is: Will the report, which comes
6 out in December, include options like that and their
7 associated magnitude of these resources to be alternatives
8 to Diablo? So that's one question.

9 And then another question is: You know, we've
10 made a lot of state investments in clean DER, you know,
11 lots of money on distributed batteries, we just allocated
12 another \$900 billion for SGIP, most of which was for energy
13 storage, could utilization of those assets for reliability
14 also be part of the analysis done by December of this year?

15 VICE CHAIR GUNDA: Yeah, let me just set the
16 stage. And then, David, please jump in here.

17 So just excellent comments and questions. I
18 think there's the analytical framework, as Lisa noted, will
19 be very comprehensive, that's at least the desire of the
20 Energy Commission, comprehensive and coordinated with the
21 rest of the agencies.

22 So when we're looking at the options, the
23 different options that we could have in terms of
24 reliability crisis, and the prudence of Diablo, all the
25 things that you just mentioned will be a part of the

1 analytical framework.

2 As far as we look at the specific requirements in
3 846 and 205, the very first report -- so we have quarterly
4 reports. So the very first report will, as I understand
5 from David and team is, we're going to just establish the
6 basic demand and shortfalls at this point in December and
7 have a look back on what happened. But as we go into next
8 year, there will be reports on, based on the deadlines we
9 have, a comprehensive report on all the alternatives and,
10 you know, what alternatives could be done.

11 And I think I mentioned the tradeoffs question
12 earlier. And I think the tradeoffs come from our ability
13 to do a certain thing in a certain given a given time right
14 now, how fast can we build, how fast can we use V2G, and
15 what are kind real-world experiences and perspectives on
16 what's feasible? So we're going to take that into account?
17 You know, we're looking at cost. We're looking at
18 nonenergy benefits and what the impacts of that could be.
19 So I think it'll be a comprehensive analysis next year.

20 So maybe, David, do you want to add anything else
21 to that?

22 MR. ERNE: Thank you very much it.

23 You know, as an example, Governor Newsom has
24 said, hey, by 2035, you know, we're going to phase out. So
25 you know, if you look at options, if you were to consider

1 if all of those were, say, bidirectional by 2035 as part of
2 the analysis, you know, that starts to yield some really
3 big numbers quickly, which could become sort of a critical
4 part of the forecasting going forward. So I just want to
5 make sure that's part it.

6 But, anyway, thank you.

7 VICE CHAIR GUNDA: Thank you so much.

8 MR. ERNE: Thank you, Kurt. So let me let me add
9 on to what the Vice Chair was saying, and there's a couple
10 of pieces here, I'll try to make sure that I make it clear.
11 We have a number of overlapping requirements and we're
12 trying to align those as best we can. And if we can
13 combine them, we will, to make it easier for people to
14 digest all this information.

15 But to your point about the report this -- in
16 December, as Vice Chair mentioned, it's going to be looking
17 more about the current situation, and we've been asked to
18 look at a high, medium, and low risk scenario moving
19 forward. We will not have done a complete analysis of all
20 the other programs and how the other programs might
21 influence our portfolio of resources moving forward.

22 But a key part of the Clean Energy Reliability
23 Investment Plan, CERIP, is to look at where we think there
24 are gaps in opportunities for deployment of resources,
25 clean energy resources, that will help us with overcoming

1 aspects of retirement, but also complement the many other
2 programs that are out there.

3 So in one of Lisa slides, she put up a slide that
4 showed all the different pots of money that came out from
5 this year that relates to clean energy. And our intent in
6 the Clean Energy Investment Plan is to look at those and
7 see what those are or are expected to be supporting, and
8 then look at other things that could be done and whether
9 those could be funded by the Clean Energy Investment Plan
10 as it's funded by the legislature moving forward so that we
11 fill in the gaps.

12 So the intent is to reduce or completely minimize
13 any duplication of programs and make sure that we're
14 creating a more comprehensive strategy for the state, kind
15 of considering all those different pieces together. So
16 that will be in the Investment Plan, that we'll lay that
17 out.

18 And that's part of what we're talking about
19 afternoon, which is, you know, here's a laundry list of all
20 kinds of clean energy alternatives we should be thinking
21 about. Are there ones that we're missing, ones that should
22 come off the list? We're going to utilize this list in the
23 analysis of it in order to support all these different
24 requirements, whether it's the Investment Plan, whether
25 it's comparison to Diablo Canyon, whether it's comparison

1 to other programs that are going on, we're trying to bundle
2 all that together. So today's --- this afternoon's
3 conversation is really about setting the stage for how we
4 can think about all these resources, analyze them, and then
5 utilize our knowledge from that to inform individual
6 efforts from the various bills.

7 So that's the longwinded answer to that question.

8 Any other questions from the Dais? on that? Any
9 other comments?

10 If not, we can go to zoom Q&A. So I'll turn to
11 Chie, who will be reading out the Zoom Q&A. And remember,
12 we are using the Q&A function in Zoom for questions, so if
13 you have any additional ones. And you can also upvote, use
14 the up vote feature within Zoom. If you like a question
15 that's on their or you have one that's similar, you can
16 always do the upvote and it will bring it to the top of the
17 queue.

18 We'll start with Chie with your first question.

19 MR. YANG: Thank you, David.

20 The first question is from Carrie Bentley with
21 Gridwell. "For AB 209, is there a recommended PRM consider
22 the CPUC authorized PRM for its jurisdictional entities?"

23 MR. ERNE: The answer that question is, yes, we
24 will be considering all of that as we work through and
25 develop the recommendations for the PRM.

1 MR. YANG: Next question from Rick Brown. "Will
2 there be a report on the heatwave with the details and the
3 cost of the contingency reserves used during that time?"

4 MR. ERNE: Yes, there will be a report out on the
5 overall summer, including the August 31st through September
6 9th heatwave. That will be a part of the report that is
7 December 15th, but more comprehensively in the January 31st
8 report.

9 VICE CHAIR GUNDA: Chie, just wanted to add that.

10 I think, you know, the sentiment of the question,
11 if I'm reading it, right, is the transparency of the
12 information. That's spelled out very clearly in the
13 legislation, the transparency around the reliability and
14 the investments, so we'll do our best to, basically, peel
15 the onion on the different costs to the extent that we can.

16 Thank you.

17 MR. YANG: The next question is:

18 "Will Diablo Canyon's continued operations be eligible
19 for DEBA or is that only available for battery
20 storage/renewable facilities?"

21 MR. ERNE: So the answer to that is, no, Diablo
22 Canyon will not be eligible under DEBA for any kind of
23 incentives.

24 MR. YANG: Next question from Kate Unger.

25 "Please provide more information about the planned RFI

1 including the expected timeline for responses, if
2 available."

3 MR. ERNE: Sure. So we anticipate having the RFI
4 out by next Friday. And we want to have responses done by
5 the end of November. So November 30th is what we're
6 currently projecting to be the timeframe to provide
7 comments on that RFI. And we'll talk a bit more about the
8 questions that will be included in the RFI, the things
9 we'll be looking for. That'll be a predominant part of our
10 focus of this afternoon's conversation.

11 MR. YANG: "The emergency gen 200 megawatts, what
12 length are these available to overcome grid
13 emergencies? Is it over two hours? Up to four
14 hours?"

15 MR. ERNE: I think that one's for you.

16 MR. CRADDOCK: Thank you for the question. The
17 emergency generators that were used this year were used
18 during a declared event by the CalISO, and so they were
19 available during that period of the event, which I believe
20 was, you know, typically on the order of few hours during
21 the specific days during the heatwave.

22 VICE CHAIR GUNDA: And it just died on that one.
23 Could you just expand the feasibility of running them as
24 long as you need? I think that's the sentiment of the
25 question, if you want to talk to them?

1 MR. CRADDOCK: Yeah, thank you for that follow
2 up, Commissioner. That is correct. The resources are
3 available to operate for an extended period of time but
4 specifically, you know, as requested for to respond to an
5 extreme event.

6 MR. ERNE: Thank you. Next question, Chie.

7 MR. YANG: Next question is from Ravi Menon with
8 HyAxiom Inc.

9 "For Ted Craddock: Are you open to installing low-
10 emission, lower than your existing gas generators,
11 fuel cells to support the grid at the CDWR power plant
12 generating plants?"

13 MR. CRADDOCK: Thank you for the question. Yes,
14 we're exploring all, you know, options for the temporary
15 generators sites that that we're looking at.

16 MR. YANG: Next question from Daniel Barad with
17 the Sierra Club. "Is there a public process for deciding
18 which facilities DWR extends under AB 205?" And second
19 part of the question, "Are there criteria for not extending
20 facilities in overburdened air basins?"

21 MR. CRADDOCK: Thank you for the question. So
22 we'll be using -- or presenting at the next business
23 committee meeting the options that DWR is looking at as
24 part of the Strategic Reserve. And then we'll also be
25 presenting on a quarterly basis. So that's really intended

1 to be the process that will allow public input into the
2 decisions being made.

3 MR. ERNE: And to clarify, that CEC's business
4 meeting that you'll be presenting at, correct?

5 MR. CRADDOCK: That's correct. Thank you, David.

6 MR. ERNE: And the next one will be November
7 16th. To have the date rig? Yes, November 16th.

8 VICE CHAIR GUNDA: Thank you, David.

9 MR. YANG: Next question from Robert Perry with
10 Synergistic Solutions.

11 "How does adding temporary generators and extending
12 the life of existing power plants contribute to
13 California's energy, environmental, housing, and
14 transportation goals?"

15 MR. SKALA: So I'll start with that, if you don't
16 mind, Ted, and then if you want to add on to that?

17 So, you know, the desire is to ensure that we
18 have a reliable system, and that it's clean. And we can't
19 always implement clean technologies as rapidly as we would
20 like to. And so the legislature allowed for the
21 opportunity for certain limited funding of resources that
22 are not -- that are fossil-based, but to minimize that and
23 to focus more on the clean energy over the long term.

24 And so it is our goal, it is our intent to focus
25 on the clean energy, but we also have a very strong resolve

1 to ensure grid reliability.

2 COMMISSIONER HOUCK: Second part of the question?

3 "Doesn't it make more sense to invest in new
4 construction, 3 million housing units by 2030, 7
5 million housing units by 2035, that contains
6 distributed technologies providing near 100 percent
7 energy resilience that obviates the need for backup
8 assets?"

9 MR. SKALA: That's a very good question. I don't
10 have the answer to it but it's certainly worth exploring in
11 terms of options moving forward for the state.

12 VICE CHAIR GUNDA: Yeah, I just wanted to add,
13 Chie, there.

14 Thank you, Robert, for that question. I think
15 David summarized it really well. The legislative process
16 had to go through kind of a multitude of policy goals and
17 the goals for the state, and how do we balance that? And
18 to my earlier comment, I think that really is the art of
19 the feasible. I think, you know, a majority of us in this
20 room, and who's attending this workshop, would want to be
21 at 100 percent tomorrow, if we can, across all elements and
22 be reliable, safe and affordable.

23 I think the hard part here is how do we move
24 towards the clean energy transition as quickly as we can
25 with the ideas that you just propose, which is, you know,

1 increasing the distribution-side assets and distribution
2 technologies? But I think, you know, it's the feasibility,
3 the reliability question, and love and welcome further
4 comments from you to continue this discussion.

5 MR. ERNE: Thank you, Vice Chair.

6 Next question.

7 MR. YANG: Next question from Tim Smith. "Will,
8 the CEC be using consultants for this docket or will
9 analysis be done, performed by internal staff?"

10 MR. ERNE: So we will be utilizing consultants in
11 our analysis for -- and we'll be discussing it a little bit
12 this afternoon as well.

13 MR. YANG: Next question from Marty Brown.

14 "In the area of distribution, won't electrons provided
15 by Diablo be a roadblock to the power resources of
16 renewables being distributed on the same power line?"

17 MR. ERNE: Do you want to answer that, Neil?

18 VICE PRESIDENT MILLAR: Sure. Yes. It's Neil
19 Millar here with the ISO.

20 So we have been studying the amount of power that
21 can be connected to the 500 KV system coming off, assuming
22 at some point, development of offshore wind in the Morro
23 Bay-Diablo Canyon Call Areas. And that's part of our
24 annual transmission planning process. We've been providing
25 those assessments. And the transmission system there, with

1 the appropriate interconnections, can accommodate
2 considerable additional power coming on to that network.
3 And I would refer you to our annual Transmission Plan for
4 the details.

5 Thank you.

6 MR. YANG: Next question from Robert Perry.

7 "Assuming an average of residential HVAC load of 3 to
8 3.5 kilowatts, participation by 12 percent of
9 California's 14 million housing units would result in
10 a 5 gigawatts statewide load reduction. Wouldn't
11 money be better spent on providing smart thermostats
12 that allow households to participate in and be
13 compensated for the massive demand flexibility
14 potential that currently exists in California?"

15 MR. ERNE: I think the answer to that is we do
16 believe that that would be a very important tool to
17 applying. And that's one of the solution, one of the many
18 solutions, we'll be discussing this afternoon that we'll be
19 analyzing for the Clean Energy Investment Plan.

20 VICE CHAIR GUNDA: Yeah, and I also just want
21 to -- sorry, Robert. In your earlier question, I didn't
22 complete my thought process, which is the different funding
23 buckets that Lisa mentioned earlier includes, you know,
24 building decarbonization funding, SGIP funding. So there
25 is a variety of tools the legislature provided us.

1 But you know, as to David's point, you're
2 absolutely right, there's a number of different options we
3 can do, and look forward to the discussion.

4 MR. YANG: Next question.

5 "Will CEC's Clean Energy Reliability Investment Plan
6 in SB 846 be related to the new Clean Energy R&D/
7 Reliability Program established in this year's
8 budget?"

9 MR. ERNE: Yes. So we are looking across all
10 other existing programs that are going to be funding clean
11 energy alternatives, including the R&D program, and
12 incorporating that into our analysis in the in the clean
13 energy investment plan.

14 I will say that the Investment Plan is intended
15 for mature technologies in the near term, whereas R&D is
16 looking for developing newer technologies or improving
17 those technologies over the long term. So there might be
18 some overlap but that may not be as much, just because of
19 the difference in focus.

20 VICE CHAIR GUNDA: Chie, I just want to add.

21 Thanks, David.

22 And think I just want to reiterate what just
23 David said, and I just want to elevate a comment he made
24 earlier, which is a part of the analysis is to looking at
25 all the existing funding that we have through not just CEC

1 but to CPUC and such, and then think through where the gaps
2 are and where the money would be well spent. And, again,
3 this is going to be a public discussion. We're going to
4 work on it together.

5 MR. YANG: Next question from Michael Day.

6 "We are regularly talking about assets being available
7 for emergencies, but the best would seem to be assets
8 that participate regularly and, potentially, daily.
9 If they are participating daily then, by definition,
10 they would be available during emergency days, as
11 well, so long as reasonably scheduled. Is the need
12 for availability during emergencies preclude assets
13 that can participate daily?"

14 MR. ERNE: So I think that's a great point from
15 the question, and that is we want to minimize the
16 incentivizing something that could be a stranded asset or a
17 limited assets. And so we're going to be looking as
18 broadly as we can within the confines of what's required
19 for each program to make sure that we're incentivizing
20 resources that can provide, you know, as much as daily
21 opportunities for the customers that are deploying them,
22 and not just for emergency purposes, and so that is our
23 goal. Some programs are focused more on the emergency
24 piece. But we're trying to be as open as we can within the
25 confines of the requirements for the programs.

1 MR. YANG: Next question from Craig Jenkin.
2 "Does AB 209 include funding for industry, which would
3 improve the cost effectiveness of renewables/zero-
4 carbon resources the CEC has determined to be most
5 efficient?"

6 MR. ERNE: I don't believe there are programs in
7 209 that's a funded program associate with that, is there,
8 Lisa?

9 MS. DECARLO: Nothing's coming to mind for me.

10 MR. ERNE: Most of the funded programs fell under
11 205 or 846. And so in terms of those programs, we are
12 thinking about those opportunities.

13 MR. YANG: Next question. "When will the more
14 comprehensive assessment of Diablo alternatives and
15 tradeoffs be released?"

16 MR. ERNE: The legislation requires that to be
17 released in September of next year. We are looking at
18 whether we can accelerate that schedule. No promises, but
19 some of the analysis required in that report may be needed
20 for our report in March, and so we're trying to see whether
21 we can combine those two, but they may be one or may be two
22 separate, but the legislation specifies September.

23 MR. YANG: Next question.

24 "What would be the best contact at CEC we should
25 connect to as an innovative provider to professional

1 drone inspection, analysis, and measurement of energy
2 construction sites of solar, windmill and storage at
3 any phase of the project?"

4 MR. ERNE: I get your pardon?

5 VICE CHAIR GUNDA: I think we should just follow
6 up on that question.

7 MR. ERNE: Yeah. Yeah. We'll follow up with you
8 on that question as to who is the right person to talk to.

9 MR. YANG: Next question from Patrick Welch with
10 CMUA.

11 "Will the Clean Energy Investment Plan only focus on
12 alternative capacity to Diablo or will there be a
13 focus on more forward-looking investments that could
14 also help utilities not served by ISO transmission?"

15 MR. ERNE: So the Clean Energy Reliability
16 Investment Plan is not Diablo focused, it's broader than
17 that. We will utilize some of the analysis we do for the
18 Investment Plan in our cost comparison for Diablo. But the
19 broader intent is to look at solutions that can provide
20 value over the long term for the state not specific to
21 Diablo.

22 Next question. "Can you give more information
23 about the expected timeline for future workshops?"

24 MR. ERNE: I'll be talking about those this
25 afternoon.

1 MR. YANG: "Can smaller generators be aggregated
2 to meet the 5 megawatt requirement. Is their flexibility
3 in the 5 megawatt requirement?"

4 MR. ERNE: I'm not remembering a five -- Lisa?

5 MS. DECARLO: That might pertain to the Energy
6 Commission's permitting authority for DWR resources.

7 Is there a chance to get clarification on the
8 question?

9 MR. YANG: We'll come back with the count
10 clarification.

11 Oh, the next question. "Why isn't the end of
12 Diablo Canyon tied to reduction in gas usage and emissions
13 instead of randomly assigned year?"

14 MR. ERNE: The decision for -- you mean for the
15 original closure or the extension?

16 VICE CHAIR GUNDA: I think it's the extension
17 study.

18 Dan, thank you for that question. I think, you
19 know, within the legislative requirements, you know, the
20 ask is to look at the prudence of continuation, so that's
21 what we'll be looking at. But I definitely see your point
22 of the broader benefits for -- from an emissions
23 standpoint. Thank you.

24 MR. ERNE: So, Vice Chair, a question for you in
25 terms of process. We have attended what's left for the

1 morning. Would you like to continue with any questions or
2 move to public comment?

3 VICE CHAIR GUNDA: Yeah, I was just watching
4 that, too. It looks like the questions keep increasing, so
5 how about we take a couple more questions and go to public
6 comment at 11:55 and extend the morning session by another
7 five minutes?

8 MR. ERNE: Alright. Sounds good.

9 Thank you, Chie. Continue.

10 MR. YANG: Next question from Ben Schwartz.

11 "One of the benefits of distributed energy resources
12 is that they can be deployed much faster than utility-
13 scale resources. Have you considered policies that
14 increase the number of DER by average ratepayer or
15 targeted DER deployments in areas of need/DAC?"

16 MR. ERNE: So we have made recommendations,
17 policy recommendations, in the IEPR for those particular
18 directions. And we are looking at how we can utilize the
19 programs that came out this summer to implement some of
20 those activities.

21 MR. YANG: Next question from Heather Hoff.

22 "It doesn't seem like we will ever need less clean
23 energy, given the desire to electrify, and also the
24 potential for development of clean hydrogen and more
25 desalination. Given the desire to focus on clean

1 electricity, it seems like we shouldn't be talking
2 about potentially running Diablo for less than 20
3 years, and especially not less than 5 years in SB 846.
4 Will continued operation of Diablo be even more cost
5 effective after relicensing?"

6 MR. ERNE: And the answer to that will be part of
7 our analysis next year on the cost effectiveness, so we'll
8 be looking at that relative to clean energy alternative
9 portfolios.

10 MR. YANG: Next question from Patrick Welsh.
11 "A lot of these programs focus on generation. Is
12 there any funding available for transmission and/or
13 distribution investments needed to support the
14 generation?"

15 MR. ERNE: These programs were focused on
16 distributed resources, not on the transmission or
17 distribution system.

18 VICE CHAIR GUNDA: Yeah, I think the specific
19 part of the second question is poles and wires investments.

20 Patrick, I recognize the opportunity for customer
21 affordability there, but I do not believe the requirements
22 or the provisions of the funding streams currently allow
23 for that.

24 PRESIDENT REYNOLDS: But we do recognize the
25 importance and the need to have sufficient grid

1 infrastructure to accommodate the resources.

2 VICE CHAIR GUNDA: Absolutely. Thank you.

3 MS. DECARLO: I will note, just really quickly,
4 as part of the opt-in permitting portion, we are allowed --
5 the Energy Commission, as part of our streamlining
6 permitting, does have authority over the interconnection
7 between one of the facilities listed and the first point of
8 interconnection. So there's a small bit of streamlining
9 there in terms of that.

10 VICE CHAIR GUNDA: I'm thinking maybe a couple
11 more questions. And then I think we're already at 11:53.
12 And then we can go to public comment.

13 MR. YANG: Next question from Rick Brown.

14 "High- speed rail will be bringing a large amount of
15 load, TND infrastructure, and distributed energy
16 resources late this decade. Is this being considered
17 in the analysis of long-term reliability needs and
18 options?"

19 MR. ERNE: The answer to that is, yes, we have
20 looked at the potential load associated with high-speed
21 rail as part of our Demand Forecast and evaluating that in
22 terms of the of the demand moving forward for the state.

23 VICE CHAIR GUNDA: Just specific to the TND
24 infrastructure and distributed energy resources, I think we
25 haven't necessarily looked at that part into integrating in

1 our analysis, but that's a good point, Rick. We'll look
2 into what we can do.

3 And, Neil, do you want to --

4 VICE PRESIDENT MILLAR: Yes. It's Neil Millar
5 with the ISO.

6 And that is also included in our transmission
7 planning analysis.

8 MR. YANG: Next question from Heather Hoff.

9 "What work and modeling is being done to evaluate
10 shifting peak solar generation towards demand-side
11 loads that support our other clean energy goals,
12 hydrogen, desalination, et cetera?"

13 MR. ERNE: So we're preparing models to look at
14 that opportunity for the reports that we'll be doing next
15 year, as well as for SB 100, so we are developing those
16 models now.

17 MR. ERNE: I think we should cap it at that
18 point, alright, and move to public comment.

19 VICE CHAIR GUNDA: Yeah, just for those of you
20 whose questions were not answered, we'll try to do it.
21 We'll try to type an answer. And, you know, David Erne's
22 contact is there.

23 And I don't know, David, who else is the best
24 contact for us to continue to answer questions?

25 MR. ERNE: They can just forward it to me and

1 I'll distribute.

2 Alright, we'll start with the public comment
3 period. We're going to use the Zoom raise-hand feature.
4 We'll, first of all, start with those that are in the room,
5 and then we'll move to anyone who is on Zoom. If you're on
6 telephone, dial star nine to raise your hand, star six to
7 mute or unmute your phone line. You may also need to mute
8 your mute feature on your phone. When called upon, please
9 unmute your line and state and spell your name, identify
10 your organization, and then start your comments.

11 So first, I'll see if there any comments in the
12 room? No comments in the room.

13 So do we have any comments, Brian, online on
14 Zoom?

15 MR. SAMUELSON: Yes. We'll start with Boulder
16 Decarb.

17 You are available to talk.

18 MR. ERNE: We can't hear you. Have you unmuted
19 your line?

20 MR. SAMUELSON: Again, that was Boulder Decarb.

21 MR. ERNE: Alright, why don't we go to the next
22 one? And we can come back if that individuals available
23 speak.

24 MR. SAMUELSON: Alright, the next one is Robert
25 Budnitz.

1 You are able to talk. Please unmute yourself.

2 MR. BUDNITZ: I'm unmuted. Can you hear me?

3 MR. SAMUELSON: Yes.

4 MR. ERNE: Yes, we can hear you.

5 MR. BUDNITZ: Hi. This is not a question but
6 it's a comment. Robert Budnitz. I live in Berkeley and
7 work in Berkeley. I'm one of the three members of the
8 State of California's Diablo Canyon Independent Safety
9 Committee. They call the DCISC. For over 30 years, our
10 DCISC Committee has been doing regular reviews and
11 evaluations of the safety of the Diablo Canyon Power Plant.
12 SB 846 provides an explicit rule for us, our Committee, to
13 do such evaluations to support the purposes of the bill.

14 I cannot speak for the Committee talking like
15 this, we only speak collegially, you know, after all of us
16 work and vote and so on, so I'm just -- this is just my own
17 view. But I want to tell the CEC and the other agencies
18 that you're going to be writing various reports, and I want
19 to make sure you know that that Diablo Canyon Independent
20 Safety Committee is available as a state resource if issues
21 or questions arise related to the safety of Diablo Canyon,
22 okay?

23 Now everybody knows that if there wasn't a safety
24 concern at Diablo Canyon, it wouldn't be controversial. I
25 mean, it would just -- you know, I mean, that's why there's

1 so much controversy about it, and deservedly, because we
2 all want it to be as safe as it needs to be.

3 And because of that, that's why our Committee has
4 been established. And we're here as a resource for any
5 state agency that wants us.

6 Thank you.

7 MR. ERNE: Thank you.

8 MR. SAMUELSON: Rick Brown, you are available to
9 talk.

10 MR. BROWN: Thank you. Just following up on my
11 question, our company, TerraVerde Energy, has been working
12 with High-Speed Rail to develop the plan for using clean
13 energy resources to run the train. And there's a lot of
14 detail and a lot of data on the way, different scenarios,
15 different ways that that's going to play out.

16 A key point I'd just make is that, you know, the
17 train has the ability to slow down. And what I'm making --
18 the point I'm making here is there are a lot of flex,
19 there's going to be a lot of flexible resources, up and
20 down the state with the high-speed rail. And it would be
21 really important that, in thinking about these plans, you
22 don't just look at look at through the lens of the load
23 but, in fact, look at it through the availability of those
24 flexible, distributed resources.

25 Thank you.

1 MR. ERNE: Thank you.

2 MR. SAMUELSON: Kate Unger, you're available to
3 talk.

4 MS. UNGER: Hello. This is Kate Unger from the
5 California Solar and Storage Association.

6 We are currently approaching 1 gigawatt of
7 behind-the-meter storage in IOU territories already. And
8 our initial estimates of deployment potential suggests that
9 we can add 2 to 3 gigawatts more just between 2023 and
10 2026. This resource can come online faster than utility-
11 scale and it offers 100 percent clean energy when charged
12 from solar during the day, so it should be prioritized in
13 this work and we hope that it will be.

14 And we also hope that the agencies will work to
15 eliminate impediments, like restrictions on energy exported
16 to the grid and baseline and metering issues, to enable the
17 true reliability potential of this resource to be brought
18 to bear for grid needs.

19 In particular, I heard from, earlier, a comment
20 about wanting to avoid stranded assets and assets just
21 being used for emergencies. It's important to consider and
22 reexamine current approaches to baselines for demand-side
23 programs, avoid customer use of resources on a daily basis
24 from depressing the value and disincentivizing those
25 resources participating in emergency response programs.

1 Thank you very much.

2 MR. SAMUELSON: Steven King, you are available to
3 talk.

4 MR. KING: Hi. My name is Steven King and I'm
5 representing Environment California. Thank you so much,
6 CEC commissioners, for your time today.

7 So we strongly support this new renewable energy
8 here in California as soon as possible. We know we have
9 the tools and solutions at our fingertips to achieve a
10 resilient and reliable electricity grid, while also staying
11 on the path to 100 percent renewable energy. According to
12 our recent Renewables on the Rise Report, California ranks
13 number one for most small capacity, most battery storage --
14 oh, sorry, I think I got muted for a moment there. So,
15 yeah, California ranks number one for most solar capacity,
16 most battery storage, and we know we need to keep this
17 going.

18 With new funding and momentum from the Inflation
19 Reduction Act at the federal level, there's never been a
20 time to -- a better time to invest more in the crucial
21 clean energy resources that Californians deserve. We know
22 we need more solar power to capture the plentiful energy
23 from the sun that reaches our rooftops every day. And
24 investing in solar battery storage is just as important so
25 Californians can save clean energy for later when they need

1 it the most.

2 Also, we really believe we need to focus on the
3 low-hanging fruit in the form of energy conservation and
4 efficiency. We know that the cleanest energy we have is
5 the energy that we never use in the first place. And we
6 know energy conservation can work. I can give just a quick
7 example.

8 So our office building in Los Angeles is 34
9 storeys tall. And it was -- it's kind of an old building.
10 It was built in the 1960s. But during the summer, when
11 it's mostly empty, the climate controls are set to much
12 colder than they should be. And the building's being
13 cooled all day. We can't control the temperature inside
14 our individual office. And I think that we could identify
15 hundreds, if not thousands, of buildings that are doing the
16 same thing across the state.

17 And with new state and federal resources, we can
18 quickly help the state save hundreds, if not thousands, of
19 megawatts of clean energy by looking for ways that we can
20 just conserve the energy that we're already using that's
21 already been wasted.

22 We look forward to working with you on programs
23 to rapidly deploy solar and storage, and also to conserve
24 energy across the state.

25 Thank you so much for your time and for your

1 collaboration. And I appreciate your efforts to make sure
2 we keep clean renewable energy growing for all
3 Californians. Thank you so much.

4 MR. SAMUELSON: Santa Lucia Chapter, you're
5 available to talk.

6 MR. ERNE: Are you there?

7 MS. HARVEY: Hi. Thank you. I'm sorry, I was --
8 this is Suzanne Harvey from the Santa Lucia Chapter of the
9 Sierra Club.

10 The *Times* reported on September 13th that
11 California just stared down its most extreme September heat
12 event in history and survived better than expected, thanks
13 in part to a new system of huge grid-connected batteries.
14 The severity of the duration of this latest climate-driven
15 heat tested the state's electrical grid like never before.

16 In last June, the CPUC ordered utilities to
17 procure 11,500 megawatts of new electricity resources by
18 2026, the equivalent of four large nuclear power plants, or
19 20 gas plants. California's batteries provided more power,
20 over 3,360 megawatts, than Diablo Canyon Nuclear Power
21 Plant.

22 We want to applaud the CPUC for its efforts to
23 increase battery storage. As always, we're very concerned
24 about the risks of keeping Diablo Canyon open beyond
25 Its -- well, beyond any point in time now, and we urge you

1 to direct these resources towards battery storage and other
2 green energies, because their value is obvious in the most
3 recent heat events that we've had and how we have survived
4 those.

5 Thank you.

6 MR. ERNE: Okay, I think we have time for one
7 more, then we'll move to close up public comment and go to
8 adjourning comments for the morning.

9 MR. SAMUELSON: Patrick Welch, you're available
10 to talk.

11 MR. WELCH: Hi. This is Patrick Welch with the
12 California Municipal Utilities Association.

13 Just wanted to say, I thank the agencies for this
14 initial public workshop that was passed by the legislature
15 this year. And it's really helpful to the collaboration
16 and how everything ties together. So just wanted to thank
17 you for that. I look forward to more workshop
18 opportunities like this and look forward to collaborating
19 with you on a number of these relevant items in the
20 municipal utilities. So thank you very much for holding
21 this workshop.

22 MR. ERNE: Thank you very much.

23 We'll close up public comment at this point.
24 There will be more opportunity for public comment in the
25 afternoon, so please join us in the afternoon.

1 Oh, there's one more? Oh, I'm sorry. There's
2 just one more, then we'll go forward with the last one.

3 MR. SAMUELSON: Yeah, going back to Boulder
4 Decarb, if you're there. You're on mute. If you can
5 unmute yourself?

6 UNIDENTIFIED MALE: Yes, I am. Thank you very
7 much for coming back to me. I appreciate it. I'll just
8 read my comment real quickly. It has to do with the EIM
9 market.

10 There's up to two dozen utilities that are
11 expanding into the western energy imbalance market.

12 VICE CHAIR GUNDA: Can you please speak a little
13 bit louder, if you're able to? Thank you.

14 UNIDENTIFIED MALE: Sorry.

15 VICE CHAIR GUNDA: Or closer to the mic? Yeah.

16 UNIDENTIFIED MALE: I will do that.

17 My comment is on the energy imbalance market.
18 There's about two dozen utilities that may expand into the
19 EIM western market by 2023. CAISO has drafted an extended
20 day-ahead market, in addition, for those entities, yet a
21 dozen of those utilities are leaning to SPP, including
22 Tristate, G&T here in Colorado, which covers 4 states and
23 42 cooperatives.

24 Although participation may be allowed in both
25 CAISO and SPP, the California reliability imperative

1 suggests that additional creative ideas now, specifically
2 to support reliability, would be well timed.

3 I bring that up because I happen to be at a
4 session yesterday at Tristate. Thank you very much.

5 MR. ERNE: Thank you.

6 VICE CHAIR GUNDA: Thank you. I just wanted to
7 make sure on the process, I think we transitioned from the
8 Q&A on the chat to the Q&A here. Do we want to bring up
9 just the public comment slide, just up, and make sure that
10 there is no other public comment before we close morning
11 session?

12 MR. ERNE: Oh, I'm sorry.

13 Yeah, can you forward the slide one more? One
14 more. That's it.

15 VICE CHAIR GUNDA: Yeah, just want to make sure
16 we ask for any public comment, if there's anybody else?
17 Once? Twice? I think we're good. Thank you.

18 MR. ERNE: Okay. Thank you. Any closing
19 comments for the morning, Vice Chair?

20 VICE CHAIR GUNDA: Yeah. No, I just wanted to
21 say thank you for all the, you know, speakers today.

22 And, Lisa, excellent job summarizing it.

23 Ted and Pete, thank you so much for both kind of
24 providing the information and taking the time to be
25 available to answer questions.

1 And, David, thank you to you for your leadership.
2 And it's been -- I mean, we need a central person pulling
3 all these things together, so thank you so much for all the
4 work you're doing.

5 I look forward to the second panel today. And
6 thanks for all the colleagues on the dais and for everybody
7 who attended this morning, and the questions and comments.
8 Thank you.

9 MR. ERNE: Thank you, Vice Chair.

10 And a reminder to those who are on Zoom, we'll be
11 resuming at 1:30. And there's a different Zoom link for
12 the 1:30 afternoon session, so please make sure you join at
13 that one. And we'll see everybody back in here at 1:30.
14 Thank you.

15 (Off the record at 12:09 p.m.)

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CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of November, 2022.



MARTHA L. NELSON, CERT**367

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I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



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November 8, 2022