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CEC 800-2022-001 Docket 17 Misc-01 Comments of Equinor on November 10 Workshop AB 535_ Assessing Transmission Upgrades

Additional submitted attachment is included below.

Comments of Equinor USA

RE: CEC-800-2022-001 Docket 17 MISC-01:

California Energy Commission Workshop on AB 525: Assessing Transmission Upgrades and Investments for Offshore Wind Development off the Coast of California November 10, 2022

<u>AB 525 requires assessing upgrades and investment needed in transmission to facilitate</u> offshore wind development – including process changes and improvements and future focus to meet critical climate and reliability needs:

Equinor USA ("Equinor") once again applauds the California Energy Commission (CEC) for its leadership and tireless work to assess and develop goals and a framework for deployment of offshore wind off the California coast to address the state's pressing climate and energy reliability needs. We also acknowledge the strong collaborative work among cooperating state agencies and commissions addressing all aspects of assessing ability to achieve the goals established by the CEC is August of 2022. Regarding the November 10, 2022 workshop on assessing transmission upgrades and investments needed for resource development, Equinor would like to add some comments to the many materials presented by agencies and other key stakeholders in the workshop.

The California Public Utilities Commission (CPUC) and California Independent System Operator (CAISO) continue to work towards developing the grid that needed to nearly double the state's overall energy output by 2045 and to address both deep de-carbonization and ensure reliability and energy security for the state.For reasons explained below however, from what was presented by both agencies in the workshop, it seems clear that the current processes will not result in the grid's ability to deliver 5 gigawatts (GW) of offshore wind in the 2030-32 timeframe. The current Transmission Planning Process (TPP) is based on modeling that does not capture the full scope of potential output from offshore wind leases and development that should result from BOEM's December 2022 lease auctions. The further study proposed at the workshop does not improve this situation.

Time is critical, even as reforms and changes to both the TPP and the CPUC's procurement processes are being undertaken. Under the current paradigm a base case scenario from the CPUC to the CAISO in 2022/23 must include the larger amount of 4.7 GW at a minimum in order to ensure that transmission capacity will be available to deliver 5 or more GW of offshore wind from the two wind resource areas (Humboldt and Morro Bay) by 2035. The study, planning, solicitation, permitting and construction timelines require this – along with the ability to assess resource need and transmission development to build up to the goal of 25 GW by 2045 – which is just ten years out from that point.

The objective of achieving California's offshore wind goals simultaneously with other needed resources in a future ready transmission system to efficiently deliver and store resources while

reducing both emissions and physical climate risk requires specific actions now. Without necessary modifications California will not efficiently deliver new resources while reducing emissions and climate risks. To reach the starting place of 5 GW by 2030-32, there must be more GWs in the base case now for 2023/24 versus two years from now. The overall process across agencies also should be modified to meet critical timelines and to account for advances in transmission-related technologies in their analyses. To achieve the AB 525 goals and to meet the SB 100 requirements agencies need to be able to look differently at and further ahead in grid planning and should not strictly adhere to the current iterative processes.

As Equinor has stated in prior comments within the AB 525 process, the climate lens of SB 100 is the prime mover to deploy a balanced portfolio of zero carbon resources based on value, grid need and climate impacts – including avoided costs and impacts like wildfires and over-conflicting land resources to the detriment of their carbon health. At a minimum, moving the existing sensitivity case up into the base case for offshore wind, at a minimum will help plan for the needed grid, both onshore and offshore. Improving this process will also help maximize the benefits of resources, including offshore wind, accelerate their deployment, and align actions across regions to reduce costs and improve synergies with transmission and infrastructure planning. Longer lead time resources require forward planning for systemwide integration, and the longer California waits to decide and execute on the best configuration of needed and planned transmission to deploy resources and reduce climate impacts, the more intense those impacts will continue to be alongside lingering, expensive reliability issues.

Again, Equinor thanks the CEC, CPUC, CAISO, and all other stakeholders that contributed to the November 10 workshop and recommends the pivotal action of increasing the volume of offshore wind in the base case for 2022/23 and 2023/24 TPPs to achieve 5 GW by 2030-32 and the ability to get to up to 10 GW by 2035.

Submitted by: Kelly E. Boyd – Lead, Business Development, Equinor USA – kmom@equinor.com