DOCKETED	
Docket Number:	21-ESR-01
Project Title:	Energy System Reliability
TN #:	248813
Document Title:	East Bay Community Energy Comments on the Draft Clean Energy Reliability Investment Plan
Description:	N/A
Filer:	System
Organization:	East Bay Community Energy
Submitter Role:	Public Agency
Submission Date:	2/16/2023 12:49:40 PM
Docketed Date:	2/16/2023

Comment Received From: East Bay Community Energy

Submitted On: 2/16/2023 Docket Number: 21-ESR-01

East Bay Community Energy Comments on the Draft Clean Energy Reliability Investment Plan

Additional submitted attachment is included below.



February 16, 2022

California Energy Commission David Erne – Deputy Director Docket Number 21-ESR-01 715 P Street Sacramento, CA 95814

East Bay Community Energy Comments on the Draft Clean Energy Reliability Investment Plan, 21-ESR-01

Summary

East Bay Community Energy ("EBCE") appreciates the California Energy Commission ("CEC") efforts to address system reliability and clean energy goals in its Draft Clean Energy Reliability Investment Plan ("Draft Plan").

Specificity of Investment Priorities

The Draft Plan is a solid first cut at how the CEC will disburse SB 846 funding to support California's clean energy and reliability goals. The Draft Plan's high-level summary of spending priorities provides an informative "big picture" overview of the CEC's CERIP priorities.

Moving forward, a further breakdown of allocation among the initiatives within each priority and greater detail on the outcomes those initiatives should achieve will be critical to justify funding levels. For example, Table 2 indicates that \$150 million will be used to support the scaling of supply-side resources in both FY 24/25 and FY25/26,¹ but the Draft Plan provides little insight into how this sum of \$300 million will be spent. While some potential interventions are described in Chapter 3,² such as incentives for deployment or cost sharing, greater specificity will be essential for stakeholders to understand and respond to CERIP spending proposals.

The Draft Plan expressly contemplates additional processes, such as workshops, on CERIP implementation. EBCE looks forward to participating in those processes as the CEC fleshes out and refines the Draft Plan.

Central Procurement and Supply Side Resources

The Draft Plan describes the creation of a Central Procurement Mechanism (CPM) focused on the development of long-lead time resources. The CPM is an initiative within the "Enabling Investments" category of funding.

² The Draft Plan, page 11







¹ Table 2 of the Draft Plan, page 13

The development of some resources, particularly those that are heavily transmission-dependent, such as offshore wind or geothermal in transmission-constrained areas, may be accelerated via centralized procurement. A CPM could pave the way for the broader market to procure more of these clean energy resources. That said, centralized procurement should be incremental to, and not crowd out, LSE procurement of new clean energy capacity. EBCE supports the CPM's scope as described in the Draft Plan, as it balances these concerns.³

As the Draft Plan evolves, the CEC should continue to ensure that the CPM does not displace or compete with LSE procurement. It can do so by continuing to focus its centralized procurement on expanding market access to new generating capacity that is either transmission-dependent or transmission-constrained.

EBCE has one final remark about the CPM. EBCE supports the recommendation in CalCCA's concurrently filed comments that the CEC keep an open mind when considering the scope of entities that can act as a central procurement entity.

Demand Side Resources

As discussed in previous filings,⁴ demand flexibility is a cost-effective way to prevent or reduce the impacts of grid stress events. EBCE supports the Draft Plan's emphasis on funding demand side resources, especially through the aggregation of customer resources and the expansion of proven demand response solutions.

Conclusion

EBCE appreciates the opportunity to provide this response and looks forward to continued collaboration with the CEC and other stakeholders.

Respectfully submitted,

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³ The Draft Plan, page 10 and 11

⁴ <u>Joint CCA Proposal for Clean Energy Resources for Reliability</u>; <u>Joint CCA Comments on SB 846 and CERIP</u> Workshop