

DOCKETED	
Docket Number:	23-SB-100
Project Title:	SB 100 Joint Agency Report
TN #:	256073
Document Title:	IEP Comments on SB 100 NEB Workshop
Description:	N/A
Filer:	System
Organization:	Independent Energy Producers Association
Submitter Role:	Public
Submission Date:	4/30/2024 3:26:37 PM
Docketed Date:	4/30/2024

*Comment Received From: Independent Energy Producers Association
Submitted On: 4/30/2024
Docket Number: 23-SB-100*

IEP Comments on SB 100 NEB Workshop

Additional submitted attachment is included below.



Independent Energy Producers Association

California Energy Commission
Docket No. 23-SB-100
715 P Street
Sacramento, CA 95814

April 30, 2024

RE: SB 100 Non-Energy Benefits Workshop

I. INTRODUCTION

The Independent Energy Producers Association (IEP) appreciates the opportunity to submit comments on the SB 100 Non-Energy Benefits (NEB) Workshop (“workshop”) held April 16, 2024. Since 1982, IEP has been representing the interest of developers and operators of independent energy facilities before the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC). IEP members collectively own and operate approximately one-third of California installed generating capacity, which includes biomass, geothermal, hydropower, solar, wind, hydrogen, natural gas, and efficient cogeneration. IEP encourages the CEC and the CPUC to prioritize affordability and reliability in implementing California’s carbon neutral regulations. California has set clear statutory requirements for the planning and procurement of clean energy technologies. This has created a successful competitive market for these clean technologies reducing cost and encouraging innovation. These utility scaled projects have benefited the ratepayers while reducing the electricity sector’s greenhouse gas emissions (GHG) by 40 percent since 2000.

The Commissions should reject the call to infuse the planning and procurement processes with integrating so called “non-energy benefits,” which are subjective and speculative, and result in raising the costs of providing electricity. NEBs are designed to monetize certain “values,” increasing the cost of some

technologies or programs, specifically net energy metering, that are otherwise not cost effective or have a per unit cost of production higher than utility scale projects.

IEP respectfully submits the following comments on the following: 1) the CPUC should be focused on reliability and affordability, not subjective non-energy benefits, while our grid transitions to clean energy resources ; 2) utility-scale renewables reduce rate payer costs and are needed to meet the state’s GHG goals; 3) biomass generation facilities are a GHG reducing option as compared to the emissions of wildfires and open-burning of would-be waste.

II. COMMENTS

- a. **As an economic regulator, the CPUC needs to focus on meeting future energy demand with a focus on reliability and affordability not nebulous non-energy benefits.**

In determining how best to understand NEBs, the Petitioners¹ seek to quantify non-energy benefits as tangible costs—on air quality and public health, social cost of carbon, workforce implications, affordability, and resilience and energy availability, as a general matter not tied to a specific project or procurement authorized by the CPUC. However, the current planning and procurement process captures most of these elements. CEC SB 100 and CPUC Integrated Resource Plan (IRP) are informed by the Scoping Plan by California Air Resources Board (CARB). The CARB witness at the NEB workshop, Ms. Holmes-Gen, presented on how CARB’s health analysis is evolving and is addressed in the Scoping Plan. It is worth noting that the “Health Benefits Comparison: 2035 vs. 2040,” slide 13, shows Avoided Mortality by sector of the co-benefits of reduced NOx and PM2.5 by GHG reduction. The Electric Sector NOx and PM 2.5 emission are low. These

¹ CENTER FOR BIOLOGICAL DIVERSITY, CENTRAL CALIFORNIA ASTHMA COLLABORATIVE, CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE, ASIAN PACIFIC ENVIRONMENTAL NETWORK, GREENLINING INSTITUTE, LOCAL CLEAN ENERGY ALLIANCE, SIERRA CLUB CALIFORNIA, THE CLIMATE CENTER, CENTER ON RACE, POVERTY, AND THE ENVIRONMENT, CLEAN COALITION, 350 BAY AREA, GRID ALTERNATIVES, THE PROTECT OUR COMMUNITIES FOUNDATION, THE BEEP COALITION, THE LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION, AND ENVIRONMENT CALIFORNIA.

emissions will continue to lower as the natural gas fleet moves more into a capacity function from the primary source of energy.

The CPUC uses the CEC Demand Forecast and the CARB Scoping Plan in its IRP process to determine energy procurement needs. The IRP modelling includes reliability, resource needs and cost. The CPUC then allocates to each jurisdictional load serving entity (LSE) a procurement requirement to fulfill in their specific IRP procurement. These LSE IRP targets set the basis for subsequent procurements. It is at this point that some LSEs may choose to include NEBs in their procurement and selection choices. For example, a CCA may choose to pay a higher cost for a local solar installation for other community benefits rather than importing a lower cost solar resource from a different region. This is a conscious resource decision not an NEB land use cost designed to raise the cost of alternatives.

CPUC Energy Division's Dan Buch testified that the CPUC ran a Social Cost Test, which demonstrated that including social costs did not significantly change the procurement outcomes from the other tests the commission utilizes. This is due to the fact these tests end up with the same clean energy resources.

Finally, LSE projects selected undergo a rigorous siting process at a local, state, or Federal level with respect to land use, water, air quality, and other environmental issues. Projects with air emissions must comply with local air quality district health-based standards and CARB rules pertaining to criteria pollutant and GHG emissions. In some cases, this includes participating in the CARB Cap and Trade market where 25 percent of the proceeds are dedicated to disadvantaged communities.

All actual environmental costs associated with the generation of energy are addressed in the siting process and internalized by the project. There are multiple agencies with the authority and expertise to address the issues that come before them. The CPUC is an economic regulator, not an environmental

enforcement agency or responsible for land-use planning. It is essential that it maintains its focus on rates, reliability and safety and not sidetracked with pursuing nonenergy benefits.

Utility-scale renewables are cost-effective, and their rates contribute to the hardening of the grid.

The term “utility-scale renewables” refers to projects that are multi-megawatt, grid-connected, and selling power to third parties². Utility-scale renewables like solar, wind, geothermal, hydropower, and biomass generation are growing, while becoming more cost-effective, due to favorable tax policies, declining prices, the ability to store energy, and renewable mandates state and nation-wide³. SB 100’s mandate to procure 100 percent renewable electricity by 2045 has catapulted the state’s build-out of utility-scale renewables so we can meet our clean energy goals on time, if not sooner⁴. According to the 2021 SB 100 Joint Agency Report, in 6 years, by 2030, the state will need to procure 73,000 MW of clean electricity to stay on track with the SB 100 goal, and 183,000 MW just 15 years later to achieve the goal. The 2021 SB 100 Joint Agency Report accounts for utility-scale renewables in each of the projected targets because we cannot obtain the amount of MW without them. Additionally, to ensure there is enough transmission to support the maintenance and build-out of these needed clean energy resources, transmission and storage must match the growth of these resources. Therefore, the state must continue to focus on building out these critical utility-scale resources, while keeping rates affordable for California consumers.

² NREL. “DEVELOPING UTILITY-SCALE RENEWABLE ELECTRICITY.” [DEVELOPING UTILITY-SCALE RENEWABLE ELECTRICITY \(ENERGY.GOV\)](#). ACCESSED APRIL 26, 2024, OFFICE OF ENERGY EFFICIENCY & RENEWABLE TECHNOLOGY. “2030 SOLAR COST TARGETS.” [2030 SOLAR COST TARGETS | DEPARTMENT OF ENERGY](#). ACCESSED APRIL 26, 2024.

³ ID.

⁴ OFFICE OF GOVERNOR GAVIN NEWSOM. “BUILDING THE ELECTRICITY GRID OF THE FUTURE: CALIFORNIA’S CLEAN ENERGY TRANSITION PLAN.” [BUILDING THE ELECTRICITY GRID OF THE FUTURE: CALIFORNIA’S CLEAN ENERGY TRANSITION PLAN](#). ACCESSED APRIL 26, 2024.

Unfortunately, rates have risen exponentially due to wildfire protections, transmission additions, and the net-energy metering program that cost rate payers \$3.4 billion in 2021 and \$6.5 billion in 2024⁵. Rather than comparing the NEBs of distributed energy resources (resources that produce less than 10 MW of power) and utility-scale resources—since both have considerable GHG reduction attributes—this report should be comparing the cost-effectiveness of the two categories of clean energy resources to ensure that collectively, Californians will enjoy increasingly cleaner and increasingly more affordable energy between now and 2045.

b. Biomass generation is a zero-carbon solution ridding of would-be waste from landfills and forested areas prone to wildfires.

Biomass energy generation from organic material is a near zero-emission fuel, as it utilizes the carbon captured by the plant waste it combusts, creating a cyclical process. Biomass refers to materials that come from living things, including wood waste, agricultural waste, and animal manure. Biomass is critical as an energy solution to fossil fuel extraction and cycles the carbon released from its energy generation by utilizing the carbon captured by the living waste⁶. Biomass generation rids of would-be methane-releasing sources by using carbon-rich energy prior to the breakdown of the resource, which would result in methane release.

Biomass energy generation is a regulated activity that calls for reduced air pollutants and responsible solid-waste removal. Since the implementation of AB 2588 (Connelly), the Air Toxics “Hot Spots” Information and Assessment Act of 1987⁷, biomass facility oversight has grown extensively. Local air pollution control

⁵ THE PUBLIC ADVOCATES OFFICE. “ROOFTOP SOLAR INCENTIVE TO COST CUSTOMERS WITHOUT SOLAR AN ESTIMATED \$6.5 BILLION IN 2024.” [240208-CAL-ADVOCATES-2024-ROOFTOP-SOLAR-INCENTIVE-COST-SHIFT.PDF](#). ACCESSED APRIL 26, 2024.

⁶ WORLD RESOURCES INSTITUTE. “BIOMASS CAN FIGHT CLIMATE CHANGE, BUT ONLY IF YOU DO IT RIGHT.” [BIOMASS FOR CARBON REMOVAL, EXPLAINED | WORLD RESOURCES INSTITUTE \(WRI.ORG\)](#). ACCESSED APRIL 27, 2024.

⁷ AB 2588 (1987, CONNELLY). [AB 2588 AIR TOXICS "HOT SPOTS" | CALIFORNIA AIR RESOURCES BOARD](#). ACCESSED APRIL 29, 2024.

districts oversee the biomass plant operating permits, called Title V⁸. The Title V permits require the installation of Continuous Emissions Monitors (CEMs), that monitor O₂, CO, NO_x, and Opacity emissions. Additionally, biomass facilities must adhere to fuel quality requirements, notification requirements, regulator quality assurance and emissions monitoring, annual certification requirements, and inspections by local air districts⁹. Finally, the Environmental Protection Agency (EPA) also has permitting authority and will also inspect those facilities. The notion that biomass facilities have “repeated air quality violations,” as reported in the Center for Biological Diversity’s workshop presentation¹⁰, is not supported by citations and based on aforementioned reporting requirements, is not accurate.

IEP recommends consideration of the carbon-reducing impacts of biomass generation and the ability to make use of these carbon-rich materials to add clean energy to the grid that can replace fossil fuel resources that are needed for reliability still today.

III. CONCLUSION

IEP recognizes the work of the Commission staff to coordinate the SB 100 NEB Workshop and appreciates the opportunity to comment during the workshop and throughout the docket. IEP recommends the Commission focus on affordability and reliability when assessing NEBs in the 2025 Joint Agency SB 100 Report, noting the importance of responsible rate setting, the necessity of utility-scale resources, and the contribution of biomass energy generation.

⁸ SOUTH COAST AQMD. “WHAT IS TITLE V?” [WHAT IS TITLE V - \(AQMD.GOV\)](https://www.aqmd.gov/what-is-title-v). ACCESSED APRIL 29, 2024.

⁹ ID.

¹⁰ SB 100 NON-ENERGY BENEFITS APRIL 16, 2024 WORKSHOP. CENTER FOR BIOLOGICAL DIVERSITY PRESENTATION.

Signed,

Sara Fitzsimon, Esq.
Policy Director
Independent Energy Producers Association
sara@iepa.com