

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

11-IEP-1D

DATE NOV 03 2010

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| In the matter of, |) | Docket No. 11-IEP-1D |
| Preparation of the |) | |
| <i>2011 Integrated Energy Policy Report</i> |) | NOTICE OF WORKSHOP |
| |) | |
| |) | |

Joint Committee Workshop on Electricity Infrastructure Need Assessment

The California Energy Commission's Integrated Energy Policy Report (IEPR) Committee and Electricity & Natural Gas Committee will jointly conduct a workshop to solicit comments on Staff's proposed plans for an infrastructure need assessment project as part of the *2011 Integrated Energy Policy Report (2011 IEPR)*. This work is overseen by the Energy Commission's IEPR Committee, Chairman Karen Douglas, Presiding Member, and Commissioner Jeffrey D. Byron, Associate Member. Commissioner Robert B. Weisenmiller, Presiding Member of the Electricity & Natural Gas Committee, is also expected to attend.

Following the workshop, the IEPR Committee will establish the final plans for an electricity infrastructure assessment project that makes use of demand forecast and resource plan filings from utilities and other load serving entities, and related information developed by other energy agencies. The workshop will be held:

TUESDAY, NOVEMBER 23, 2010

Beginning at 9 a.m.

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street

First Floor, Hearing Room A

Sacramento, California

(Wheelchair Accessible)

Remote Attendance

Web Conferencing - Presentations and audio from the meeting will be broadcast via our WebEx web conferencing system. For details on how to participate via WebEx, please see the "Participation through WebEx" section at the end of this notice.

Purpose

This workshop is to provide the Energy Commission and the public with the opportunity to provide comments and ask clarifying questions of Staff. The infrastructure need assessment project is at the design stage, with preliminary results not expected until spring 2011, so that fine tuning of the proposal is feasible.

Staff seeks comments, questions, and suggestions on its proposal. Attachment A provides a list of questions that stakeholders should use to guide their comments. The staff proposal, in the form of a whitepaper, is posted at [www.energy.ca.gov/2011_energypolicy/index.html].

Background

To develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety, the Energy Commission is directed by Public Resources Code Section 25301 to regularly assess all aspects of energy demand and supply. These assessments are the foundation for analysis and policy recommendations to the Governor, Legislature, and other agencies. To carry out these assessments, "the Commission may require submission of demand forecasts, resource plans, market assessments, and related outlooks from electric and natural gas utilities, transportation fuel and technology suppliers, and other market participants." (Public Resources Code Section 25301(a)) Previously noticed workshops have initiated the process to secure long-term demand forecasts and resource plan submittals from utilities and other load serving entities.

The Energy Commission is preparing to undertake assessments for the *2011 IEPR*. The *2009 IEPR*, Chapter 3, recommended the development of an infrastructure need assessment as part of the IEPR process. Further, it was recommended that such an infrastructure need assessment be coordinated with the planning activities of other agencies within the state, such as the California Public Utilities Commission, and the California Independent System Operator Corporation. Since then, the Energy Commission, these agencies and the California Air Resources Board (ARB) have jointly prepared and published the California Clean Energy Future (CCEF), which augments long-standing resource policy preferences from the Energy Action Plan, the ARB's Assembly Bill 32 Scoping Plan, and reliability criteria established by the North American Electric Reliability Corporation and Western Electricity Coordinating Council. The focus of this need assessment is reliability and renewable integration as opposed to economic displacement.

While the CCEF documents point toward a particular vision for the electricity industry, there are numerous uncertainties about how key components will unfold through time. For example, the mix between wind and solar renewable development has an important influence on the amount of flexible resources that are required to assure reliable operation of the electricity grid. How end-use customers respond to new electricity tariffs enabled by deployment of interval metering systems could add to or diminish the incremental effects of programmatic efforts to reduce demand through efficiency programs. The staff's proposal suggests that these and other uncertainties be recognized,

quantified, and carried through into ranges of reliability-based need for various types of electricity infrastructure.

Staff's electricity infrastructure assessment proposal suggests developing ten-year projections of infrastructure needs for each of the five balancing authority areas located completely within California (California Independent System Operator, Sacramento Municipal Utility District/Western Area Power Administration, Turlock Irrigation District, Los Angeles Department of Water and Power, and Imperial Irrigation District), and for each local capacity area (if any) within each such balancing authority area, by resource type. Although Energy Commission staff would prepare the final calculations, inputs needed to develop a range of estimates would be drawn from the electricity planning proceedings of many agencies.

A comprehensive need assessment document will organize and make more consistent disparate component parts discussed in numerous specialized forums. The absence of such a comprehensive assessment allows special-purpose advocates to assert that their favored solution meets all of California's needs. To the extent that the resource development community needs guidance about what type of resource to propose and in what location, this assessment will provide improved information. This assessment is intended to satisfy the requirements of Public Resource Code Section 25302(c) and Section 25303(a)(3).

Workshop Participation and Comments

Staff is seeking the active participation of utilities and other interested parties in this workshop and encourages interested parties to present their views either orally at the workshop or through written comments. Staff will take oral comments immediately following the staff presentation at the workshop.

Comments are encouraged before the workshop; final written comments should be submitted no later than 5:00 p.m. on **December 10, 2010**. Comments submitted prior to the workshop will be used to facilitate the discussion. Please include the docket number "**Docket #11-IEP-1D Reliability**" in the subject line or first paragraph of your comments. Please hand deliver or mail an **original copy** to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-IEP-1D
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document File (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Office.

Participants may also provide an original and ten copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Office and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. If you have questions on the technical subject matter of this forum, please contact Michael Jaske at [mjaske@energy.state.ca.us] or (916) 654-4777. For general questions regarding the IEPR proceeding, please contact Lynette Esternon Green, IEPR project manager by e-mail at [lesterno@energy.state.ca.us] or by phone at (916) 653-2728.

The service list for the 2011 *IEPR* is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at [www.energy.ca.gov/2011_energypolicy/index.html]. When new information is posted, an e-mail is sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website [www.energy.ca.gov/listservers/index.html].

Participation through WebEx, the Energy Commission's on-line meeting service

Computer Log on with a Direct Phone Number:

- Please go to [https://energy.webex.com] and enter the unique meeting number **928 272 113**
- When prompted, enter your information and the following meeting password **meeting@9**. (Please note that password is case sensitive.)
- After you log in, a prompt will appear on-screen for you to provide your phone number. In the Number box, type your area code and phone number and click OK to receive a call back on your phone for the audio of the meeting. International callers can use the "Country/Region" button to help make their connection.

Computer Log on for Callers with an Extension Phone Number, etc.:

- Please go to [<https://energy.webex.com>] and enter the unique meeting number **928 272 113**
- When prompted, enter your information and the following meeting password **meeting@9**. (Please note that password is case sensitive.)
- After you log in, a prompt will ask for your phone number. **CLICK CANCEL**.
- Instead call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and your unique Attendee ID number which is listed in the top left area of your screen after you log in. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area).

Telephone Only (No Computer Access):

Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number above. International callers can select their number from [<https://energy.webex.com/energy/globalcallin.php>]

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

Date: November 3, 2010

KAREN DOUGLAS

Chairman and Presiding Member
Integrated Energy Policy Report Committee

JEFFREY D. BYRON

Commissioner and Associate Member
Integrated Energy Policy Report Committee
Electricity & Natural Gas Committee

ROBERT B. WEISENMILLER

Commissioner and Presiding Member
Electricity & Natural Gas Committee

Attachment

Mail Lists: energy policy, electricity

Attachment A

Prepared Questions to Guide Comments

1. What kind of “cases” would be most useful to stakeholders for displaying a range of need resulting from the uncertainties of input assumptions and methods for computing need?
 - a. For example should specific “cases” be constructed based on the sets of assumptions used by other agencies in their long-term planning processes?
 - b. Or should the inherent range of uncertainty of numerous input variables be used to construct an envelope within which need will reside?
 - c. Or both?
2. Given that the results will display a range of need, how can such ranges of need be developed to be most useful in various infrastructure planning and/or decision-making forums?
 - a. How would such a range be most useful in the CPUC’s 2012 Long-term Procurement Plan proceeding?
 - b. How would such a range be most useful in transmission planning efforts undertaken by the CAISO or the POU’s responsible for transmission planning?
 - c. How would such a range be most useful to environmental agencies like ARB and State Water Resources Control Board whose activities are inherently intertwined with the electricity industry?
3. How might the results of an infrastructure assessment be used?
 - a. How could an infrastructure assessment product be used in the Energy Commission’s own power plant licensing proceedings?
 - b. Can this assessment provide sufficient justification for a “no regrets” decision to authorize development of new generating capacity and identify the type and amount necessary?
 - c. How might results be packaged in a way to foster further integration of generation and transmission planning as called for in the *2009 IEPR*?
 - d. How might results be packaged to provide useful information to local agencies that have power plant licensing responsibilities?