

In the Matter of:	)	Docket No. 11-IEP-1D
	)	
	)	COMMENT ON PROPOSED METHOD TO CALCULATE
Preparation of the	)	THE AMOUNT OF NEW RENEWABLE GENERATION
2011 Integrated Energy Policy Report	)	REQUIRED TO MEET POLICY TARGETS
	)	

***Comments of the California Public Utilities Commission's Energy Division
on the Proposed Method to Calculate the Amount of New Renewable Generation
Required to Meet Policy Targets for the 2011 IEPR***

The California Public Utilities Commission's (CPUC) Energy Division respectfully submits these comments to the California State Energy Resource Conservation and Development Commission (CEC or Energy Commission) in regards to the *Proposed Method to Calculate the Amount of New Renewable Generation Required to Meet Policy Targets for the 2011 IEPR* (Proposed Method). The CPUC is pleased to collaborate with our sister agency, the Energy Commission, in the 2011 Integrated Energy Policy Report (IEPR) proceeding. Energy Division provides the following comments regarding the assumptions for the Proposed Method. The CPUC has been an active participant in the current and past IEPs, and Energy Commission Staff has collaborated with CPUC Staff in developing assumptions for proceedings at the CPUC, including development of the 2010 Long Term Procurement Plan.

Energy Division agrees with the methodological approach recommended for calculating a Renewable Net Short (Net Short) in accordance with the Energy Action Plan¹ loading order. However, Energy Division is cautious about prescribing a set of values for use in calculating the Net Short, since the purpose of calculating the Net Short could vary significantly across initiatives and proceedings. Instead, staff recommends that information "best sources" be provided for each aspect of the Net Short calculation. An example of this would be using the most current IEPR demand forecast. Energy Division staff also encourages the quantification of non-event based demand response load impact, either in the base IEPR demand forecast or, separately, for use in determining the Net Short.

Energy Division also would like to clarify several points in the Energy Commission staff proposal regarding combined heat and power. The CPUC is not a party to the Qualifying Facilities (QF)

¹ EAP I was issued jointly on May 8, 2003, by the CPUC, the California Energy Commission (CEC) and the California Consumer Power and Conservation Financing Authority. EAP I was updated with the adoption of EAP II, as a joint policy plan of the CPUC and the CEC, in October 2005. See www.energy.ca.gov/energy_action_plan/2005-09-21_EAP2_FINAL.PDF.

Settlement, which was approved by the CPUC in December 2010. Furthermore, as of yet, the parties have not submitted the Settlement documents to FERC for approval, making it unlikely that the Settlement would be approved by May 2011. That said, it could be approved and, therefore, effective as early as Summer 2011. Energy Division does agree with the Energy Commission staff recommendation that a 50/50 split of energy provided to the grid versus used on-site is a reasonable assumption. It is also important to consider that the 3,000 MW of QF resources that the Investor Owned Utilities are required to procure under the QF Settlement would consist of a combination of existing and new resources. Energy Division staff also believes that the AB 32 Scoping Plan 4,000 MW target is a combination of supply- and demand-side resources, not solely supply-side as indicated on page 19.

Dated March 18, 2011

Respectfully submitted,

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