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California Energy Commission
Dockets Office MS-4
Re: Docket No. 11-IEP-1G
1516 9th Street
Sacramento, CA 95814-5512

Electronically submitted to: docket@energy.state.ca.us

**RE: Executive Summary for Renewable Power in California: Status and Issues
Docket Number 11-IEP-1J**

Sierra Club California Comments on Executive Summary of the draft Renewable Power in California: Status and Issues: Docket No. 11-IEP-1G,

Sierra Club California appreciates the opportunity to provide comments on the revised Executive Summary of the draft Renewable Power in California: Status and Issues, as an accompanying document of the 2011 IEPR report and as a basis in the development of Strategic Plan for Renewables. While we appreciate and generally concur with the Staff's high-level strategies, the development of final recommendations should be revisited, as the draft Renewables report is a work in progress. Recommended Strategies should not only account for major priorities but critical details and important nuances. The RPS implementation is a vast topic, which make recommendations difficult to capture in brief. Therefore the SCC focuses on some key concerns related to the Staff's "Recommended Strategies". We believe that final recommendations should take into account and be consistent with details of the Clean Energy Job's Plan and aim to engage and enable the largest number of Californians to be beneficiaries.

Below are our comments to the Recommended Strategies:

1. Identify and prioritize geographic areas in the state for both renewable utility- scale and distributed generation development. Priority areas should have high levels of renewable resources, be located where development will have the least environmental impact, and be close to planned, existing, or approved transmission or distribution infrastructure. Prioritization should also include increasing efforts between state and local agencies to coordinate local land-use planning and zoning decisions that promote the siting and permitting of renewable energy-related infrastructure.

Sierra Club California supports "smart from the start" integrated renewable resource planning. Enhanced integrated renewable resource planning would not only steer RPS related infrastructure development away from high conflict/environmentally sensitive areas but also prioritize renewable development in locations that support and net positive long-term ecological and economical benefits. As an example, the benefits of locating renewable generation infrastructure in the built environment and existing distribution circuits are:

- Load/demand reduction
- Enhance local reliability needs
- Increased localized employment opportunities, especially in urban areas
- Reduced costs and losses in transmission
- Integrate clean electrification of commuter vehicles
- Spin-off localized economic activity
- Foster greater public recognition and participation in California's renewable future

We recognize and support efforts to identify the efficient use of existing and/or approved wire infrastructure. Because new wire infrastructure may affect broad geographic areas and tend to be contentious, time and resource consuming endeavors, enhanced integrated renewable resource planning would include greater transparency in the pre-identification of cost effective and environmentally considerate locations and support incentive for interconnecting renewable generation at optimal locations. Sierra Club California also encourages greater coordination between state and local development/permitting agencies. Facilitating uniform-standardized permitting and equitable permit fee caps for appropriately sized and sited renewable projects should be a goal wherever it is practical. Redevelopment Agencies should be encouraged to include renewables as a useful tool in alleviating blight and economic disparity in renewal projects.

2. Evaluate the cost of renewable energy projects beyond technology costs, particularly the costs associated with integration, permitting, and interconnection. This evaluation shall be coupled with a value assessment that ultimately monetizes the various system and non-energy benefits attributable to renewable resources and technologies, particularly those benefits that enhance grid stability and reduce environmental and public health costs.

Trends show that renewable energy supplies are on steady pace toward grid parity. A strategically planned diverse portfolio of renewables and integration resources offer untapped benefits that are clearly unavailable from traditional generation supplies and

delivery schemes.

Sierra Club California supports the evaluation of "beyond technology costs" as a valuable tool in strategic-integrated renewable resource planning. As such, comprehensive assessment is useful in identifying unintended consequential affects, positive and negative attributes, with the goal of netting the best economic and ecological opportunities.

Additionally, Sierra Club California supports equitable adoption of cost causation and avoided costs principles in the determination of integration needs. Currently, integration costs are not captured in PPA approvals and are being passed through and essentially dealt with in a reactive manner. The end results are often to the detriment of the ratepayers and the environment. Furthermore, the transparent application of these principles can be used to enhance the sensitivity of best assessment practices such as production cost simulation modeling. Inputs that are not currently/adequately monetized will likely require careful and iteratively updated value assessments. We look forward to assisting the Commission in establishing an equitable framework to capture the costs and a fuller host of benefits related to public health and the environment in long term strategic planning for renewables.

3. Develop a strategy that minimizes integration needs at the distribution level (through use of remote telemetry and other smart grid technologies) and the transmission level (through improved forecasting, the development of an energy imbalance market, and procurement of dispatchable renewable generation), and that strives for cost reductions and improvements to integration technologies, including storage, and the best use of the state's existing natural gas-fired power plant fleet.

Unfortunately, smart meters have become an example of poorly deployed technology. Consumers need to be informed of and directly experience the benefits of increasing utilization of smart meter enabled functions, including providing dispatchable load in response to system conditions and via price signals.

Sierra Club California recognizes and is participating in efforts under way to improve interconnection of distribution level resources. Resource type, size and geographic dispersion are elements of diversity that offers system wide benefits. Smart Grid technologies will complement and enable these benefits to be realized.

4. Promote incentives for renewable technologies and development projects that create in-state jobs and support in-state industries, including manufacturing and construction. In implementing this strategy, the state should evaluate how current renewable energy policies and programs are impacting in-state job growth and economic activity and identify which renewable technologies rely on supply chains that provide the best opportunities for California businesses.

Sierra Club California notes that the state of Washington enacted legislation establishing production incentives for customer-generated and community owned solar projects. The incentive rate paid includes multipliers for systems with components manufactured in Washington State.

Growth in solar industry has been a bright light in our slow economy, with expected annual growth exceeding twenty percent, primarily driven by the installation sector. The Commission should consider consulting with Washington agencies regarding ways to similarly promote the manufacture of renewable system components in the state of California.

5. Promote and coordinate existing state and federal financing and incentive programs for critical stages including research, development, and demonstration; precommercialization; and deployment. In particular, the state should maximize the use of federal cash grants and loan guarantee programs by prioritizing the permitting and interconnection of California-based renewable energy projects vying for federal stimulus funds.

Public and private capital support for promising and transformative technologies must be coupled with creation of viable paths to deployment. For example, investments can be promoted with clearer and supportive regulatory and market rules. Nowhere are these barriers more apparent than in challenges facing the emerging energy storage industry. Generally speaking, the participation of fast response resources in an equitable energy imbalance market will aid in optimizing the GHG benefits of renewables. This will require a concerted effort to promote technologies and products that can provide unique service in balancing intermittent generation.

A truly integrated, comprehensive feed-in tariff program for California would powerfully stimulate massive investment in renewable power as it has in other countries. In fact, there is arguably no better way to ramp up renewable power fast throughout the state. CEC should identify the necessary elements of such a comprehensive program and promote them to policymakers.

Thank you for your consideration.

A handwritten signature in black ink that reads "Jim Metropulos". The signature is fluid and cursive, with the first name "Jim" written in a smaller, more compact script than the last name "Metropulos", which is more expansive and stylized.

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