

October 9, 2012

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 13-IEP-1G  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.state.ca.us



**Re: California Energy Commission Docket No. 13-IEP-1G: Staff Webinar on the Renewable Net Short Update**

To Whom It May Concern:

On October 1, 2012, the California Energy Commission ("Energy Commission") held a Staff Webinar on the Renewable Net Short Update as part of the Energy Commission's 2013 Integrated Energy Policy Report ("IEPR") process. Southern California Edison Company ("SCE") participated in the Staff Webinar and appreciates the opportunity to provide these written comments on the Renewable Net Short Update.

SCE is concerned that the Renewable Net Short established by the Energy Commission will not reflect the actual procurement still needed to meet the State's Renewables Portfolio Standard ("RPS") goals. Instead, the results only reflect the gap between the energy needed to meet the RPS and the expected generation from renewable resources currently on-line or expected to come on-line by 2013. SCE agrees with the statement made by Pacific Gas and Electric Company during the Staff Webinar that the discrepancy between the Energy Commission's Renewable Net Short calculation and realistic expectations of future procurement need will likely create confusion among market participants. In particular, the Energy Commission's Renewable Net Short methodology is inconsistent with the Renewable Net Short methodology adopted by the California Public Utilities Commission ("CPUC"), which includes a forecast of the renewable generation expected to come on-line throughout the entire period at issue.<sup>1</sup>

In order to remedy this issue, SCE recommends that the Energy Commission either: (1) include all forecasted generation from signed RPS-eligible contracts with a sensitivity analysis for project success rates, or (2) rename the report and calculation as something other than a

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<sup>1</sup> See CPUC Administrative Law Judge's Ruling (1) Adopting Renewable Net Short Calculation Methodology (2) Incorporating the Attached Methodology into the Record, and (3) Extending the Date for Filing Updates to 2012 Procurement Plans, Rulemaking 11-05-005, August 2, 2012 (available at <http://docs.cpuc.ca.gov/PublishedDocs/EFILERE/RULINGS/171999.PDF>).

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Renewable Net Short to avoid confusion with other Renewable Net Short calculations. Based on a review of the California's Clean Energy Future website,<sup>2</sup> the Energy Commission appears to have the information necessary to adjust its calculation based on these recommendations. SCE suggests that the Energy Commission use a range of project success rates to avoid relying on potentially confidential information and to allow for consistent treatment among all load-serving entities.

Finally, SCE questions the usefulness of the Energy Commission extending its calculation of the Renewable Net Short to 2024 or 2030 given the substantial number of renewable energy projects that are expected to begin operating in the coming years but are not accounted for in the Energy Commission's Renewable Net Short. SCE also believes that the Energy Commission Staff's proposal to include an evaluation of a 40% RPS by 2030 is premature. No such goal has been adopted by the Legislature. Moreover, over the next few years, the amount of statewide renewable generation will significantly increase in order to reach the State's 33% RPS goal. These efforts are expected to increase utility rates and will have both anticipated and unanticipated impacts on the reliability of the electric system. Additionally, no transmission studies have been completed on which to base a 40% RPS scenario. Thus, analysis of a 40% RPS would be purely speculative. Without a clear understanding of the likely cost and reliability impacts of moving beyond a 33% RPS, such analysis will be of little value.

If the Energy Commission chooses to pursue a Renewable Net Short calculation for 2024 or 2030, SCE suggests that it do so informally outside the IEPR process with any relevant stakeholders and that it coordinate any calculation to the extent possible with the one developed at the CPUC.

As always, SCE appreciates the Energy Commission's consideration of SCE's comments. Please do not hesitate to contact me at (916) 411-2369 regarding any questions or concerns you may have.

Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez

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<sup>2</sup> See <http://www.cacleanenergyfuture.org/renewable-energy.html>.