

BEFORE THE ENERGY COMMISSION  
OF THE STATE OF CALIFORNIA

In the matter of: )

2013 Integrated Energy Policy Report )

Docket No. [13-IEP-1G]

California Energy Commission

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**13-IEP-1G**

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**COMMENTS FROM THE**  
**LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE**  
**CALIFORNIA ENERGY COMMISSION'S STAFF WEBINAR ON THE**  
**RENEWABLE NET SHORT UPDATE**

Dated October 9, 2012

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RENEWABLE NET SHORT UPDATE**

The Los Angeles Department of Water and Power (LADWP) respectfully submits the following comments in response to the California Energy Commission (Energy Commission, or CEC) staff webinar on the Renewable Net Short Update, held on October 1, 2012.

**I. INTRODUCTION**

The City of Los Angeles has supported renewable energy and distributed generation developments to serve our long-term resource goals. As we look into the future, the LADWP is facing a utility-wide transformation and making billions of dollars in investments on behalf of its ratepayers to replace about 70 percent of its resources over the next 17 years that it has relied upon for the last 50 years. This is a result of combined regulatory mandates for increased renewable energy, emissions performance standard on fossil fuel generation, energy efficiency, solar roofs, reduction in greenhouse gas emissions, and the elimination of once-through cooling from coastal power plants.

**II. COMMENTS**

The LADWP would like to thank CEC staff for seeking stakeholder input

on their renewable net short (RNS) calculations. LADWP agrees that it is important to determine the amount of new renewable generation capacity needed to be built in California, as this provides parameters to assess overall progress towards achieving the mandated 33 percent renewables by 2020. However, LADWP believes that there are several critical components that need to be considered while developing the RNS.

**a. Portfolio Content Categories Govern Procurement**

The key difference between the Renewable Net Short calculation of the statewide obligation between the former SB 1078 and the new SB 2 (1X) program is the addition of the Portfolio Content Category (PCC) requirements. SB 2 (1X) installed two new requirements that utilities need to meet in order to be in compliance with the RPS:

- §399.30(b) of the Public Utilities Code requires POUs to meet a minimum procurement requirement in three distinct compliance periods, ultimately achieving 33 percent renewables by 2020;
- §399.16(c)(1) established a minimum procurement requirement for PCC 1 electricity products where PCC1 electricity products are described in §399.16(b)(1)(A).

Although the two requirements are essentially intertwined, a utility can be found non-compliant if only meeting one of the two requirements. As the State Legislature have created the PCCs and a demand for PCC 1 electricity products is developing, it is important to project how many PCC 1 electricity products may be available to satisfy state law requirements.

Therefore, the LADWP requests that the CEC develops a RNS to consider the impacts and future availability of electricity products pursuant to the PCCs.

**b. Implementation of 12,000 Megawatt (MW) of Distributed  
Generation Should Not be Accounted for in the RNS**

On Page 10 of the presentation made by the CEC in the webinar<sup>1</sup>, CEC staff has indicated that it has included the impacts of the Governor's Clean Energy Jobs Plan, including the proposed goal of 12,000 MW of Distributed Generation (DG), to the RNS calculations. LADWP is currently facing several issues in considering the implementation of extremely large amounts of DG in its service area. Excess amounts of DG (i.e. during low load conditions) may result in problems controlling and operating the distribution and transmission grid. Furthermore, LADWP current interpretation of SB 2 (1X) by the CEC staff has diminished the value of renewable distributed generation to achieve the state's RPS goals.

LADWP has a peak load of approximately 6,100 MW and a generation capacity of approximately 7,266 MW; LADWP is self-reliant in terms of resources. Therefore, it is very important for LADWP flexibility be provided for utilities to find the optimum amount of DG to integrate based on the value it provides to its customers and the consideration of all operational, economic and environmental factors.

LADWP recommends that the CEC first study the feasibility of even

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<sup>1</sup> Annual Update to the Forecasted New Renewable Generation Required to Meet Policy Targets, dated October 1, 2012. Presentation available at:  
[http://www.energy.ca.gov/2013\\_energy\\_policy/documents/2012-10-01\\_webinar/presentations/Tanghetti\\_RNS\\_Update\\_2012-10-01.pdf](http://www.energy.ca.gov/2013_energy_policy/documents/2012-10-01_webinar/presentations/Tanghetti_RNS_Update_2012-10-01.pdf)

implementing 12,000 MW of DG in tandem with the State's 33 percent RPS goal before even incorporating such goal as part of the RNS calculations.

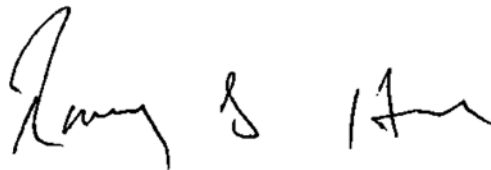
### **III. CONCLUSION**

The LADWP remains committed to transitioning to a greater share of renewable energy resources in its generation mix in a cost-effective manner while maintaining grid reliability and reducing cost impacts to its ratepayers. LADWP requests that the CEC take the comments listed above into consideration while it implements revisions to the RNS. Further, LADWP strongly recommends that the CEC first conduct a study the feasibility of implementing the Governor's goal of 12,000 MW of DG before even considering it as part of the RNS calculations.

LADWP appreciates the opportunity to comment on this important issue and looks forward to cooperating with the Energy Commission in these RPS proceedings.

Dated October 9, 2012

Respectfully Submitted,



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