

**Summary of Proposed Changes to  
2012 Integrated Energy Policy Report Update  
Final Lead Commissioner Report**

**For Consideration at the February 13, 2013  
California Energy Commission Business Meeting**

**Added text shown in underline; deleted text shown in ~~strikeout~~. Page numbers refer to report version posted January 30, 2013.**

**Chapter 4, page 43, third bullet under “Recommendations:”**

Long-Term Analyses of SONGS and Diablo Canyon Replacement: The California ISO’s nuclear facility replacement ~~reliability~~ study will consider the impact of extended nuclear outages on transmission system reliability. ~~examine alternatives to the long-standing presumption that the nuclear facilities will continue producing power until their current licenses expire.~~ The Energy Commission staff and CPUC’s Energy Division have submitted comments to the California ISO on its draft study plan, and the California ISO plans to submit a report to the Energy Commission’s 2013 IEPR proceeding and to the appropriate CPUC proceedings. By itself, a reliability study is insufficient to understand the alternatives to the long-standing presumption that the nuclear facilities will continue producing power until their current licenses expire. Other studies are needed to assess factors beyond grid reliability, including asset valuations, environmental impacts of GHG emissions, AB 32 compliance, flexible generation requirements, planning reserve margins, rate impacts, and gas system impacts. The California ISO’s assessment should be reviewed in the 2013 IEPR proceeding, along with any other credible nuclear replacement studies, as input for policy decisions concerning reserves needed to address nuclear facility outages and the amount, type, and costs of infrastructure to replace these facilities. As soon as the assessment is received, the Energy Commission will conduct a public workshop to review the assessment and frame further discussion for the 2013 IEPR proceeding.

**Chapter 5, pages 63-64, second bullet under “Challenges and Opportunities – Interconnection:”**

The Imperial Valley is rich in renewable energy resources and has been both historically, and because of significantly impacted by the recent recession, an area with high unemployment and economic challenges. ~~with unemployment levels near 20 percent, b~~But renewable development remains is slow. Renewable resources in the Imperial Irrigation District (IID) service territory may be at a competitive disadvantage with resources connecting directly to the California ISO due to several factors, including differences in the allocation of costs for transmission upgrades and wheeling costs among others. ~~and because of other impediments in the current structure.~~ The Federal Energy Regulatory Commission (FERC) report on the Arizona-Southern California outages on September 8, 2011, identified significant reliability problems ~~with the current structure in IID~~

**Chapter 5, page 65, third bullet under “Challenges and Opportunities – Integration:”**

Deploying 12,000 MW of DG will require the addition of features to the distribution system to absorb voltage fluctuations and intermittency. New types of distribution equipment are being introduced that could support increased deployment of DG by allowing utilities to manage voltage fluctuations, intermittency, and reverse power flow. *[footnote: Gridco Systems, Comments on the Final 2012 IEPR Update (Docket No. 12-IEP-1A), February 7, 2013, [http://www.energy.ca.gov/2012\\_energy\\_policy/documents/index.html#02132013.1](http://www.energy.ca.gov/2012_energy_policy/documents/index.html#02132013.1)]*