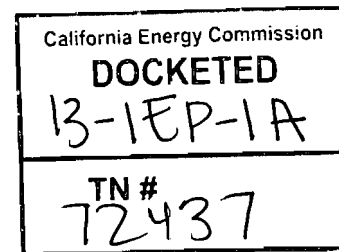


Via electronic mail

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



Re: Comments on the Final 2013 Integrated Energy Policy Report and the Preliminary Reliability Plan

The Sierra Club, Communities for a Better Environment, California Environmental Justice Alliance, Clean Coalition, Environmental Defense Fund, Asian Pacific Environmental Network, The Vote Solar Initiative, and the Natural Resources Defense Council submit the following comments on the Preliminary Reliability Plan for Los Angeles Basin and San Diego ("Preliminary Reliability Plan" or "Plan") and its reference in the Final 2013 Integrated Energy Policy Report ("Final 2013 IEPR"). Due to the significant impacts of new gas plants on California's clean air and climate goals and the lack of need for new authorizations of fossil-fuel generation to maintain grid reliability, we ask that the Preliminary Reliability Plan not be approved, that the Commission remove all references in the IEPR that could be construed as an endorsement of the Plan, and that the Commission help work toward a 100% preferred resource solution to meet any need resulting from the retirement of the San Onofre Nuclear Generating Station ("San Onofre"), as the evidence shows is feasible.

When the Preliminary Reliability Plan was first issued, significant concerns were expressed that the Plan's proposed 50/50 split of fossil fuel and preferred resource procurement to address the retirements of San Onofre and once through cooling ("OTC") facilities in Southern California was an arbitrary and flawed rush to judgment.¹ Because

¹ See, e.g., Joint Comments of NRDC, Sierra Club California, EDF and CEJA on the Joint Workshop on Southern California Electricity Infrastructure and Reliability Issues, Sept. 23, 2013,

the Plan's proposed procurement solution was based on preliminary analysis that had yet to be robustly vetted as part of the need assessment in the Long Term Procurement Proceeding ("LTPP") at the California Public Utilities Commission ("CPUC"), any declaration of purported procurement needs following the retirement of San Onofre was premature. In addition, the Plan failed to properly account for reduced energy demand projections, the expected deployment of preferred resources, and viable transmission solutions that would substantially reduce the need for new local conventional generation.

Because San Onofre was an emissions-free energy source, replacement with carbon-intensive generation will undermine California's air quality and climate goals. Indeed, following the shutdown of San Onofre, greenhouse gas pollution from in-state electricity generation rose 35 percent due to increased use of gas-fired power plants, part of which is due to the closure of SONGS.² New fossil-fuel procurement would also send the wrong signal to other regions of the country and world also grappling with replacement of nuclear plants. Fortunately, with the LTPP evidentiary process now concluded at the CPUC, it is clear that additional gas-fired power plants are not needed to maintain grid reliability.

The Commission's most recent demand forecast both significantly reduces energy demand in Southern California and substantially increases the savings most likely expected from anticipated energy efficiency measures.³ Accordingly, future energy needs are much less than assumed by the Preliminary Reliability Plan. In addition, proper accounting of anticipated progress in California's investments in distributed (rooftop and small scale) solar, energy storage, and demand response further reduce the need for new generation.⁴ To the extent that need still remains, it can be filled with additional targeted deployment of these resources. If necessary, transmission improvements can also reduce the need for new gas-fired generation in the LA Basin. For example, the Mesa Loop-In project proposed by SCE to upgrade an existing

http://www.energy.ca.gov/2013_energy_policy/documents/2013-09-09_workshop/comments/Joint_Environmental_Comments_2013-09-23_TN-72012.pdf. While the Reliability Plan purported to opine on reliability needs resulting from the retirements of San Onofre and OTC plants, need resulting from OTC retirements had already been fully analyzed and addressed by the Public Utilities Commission and resulted in an authorization of 1,000 -1,200 MW of gas-fired generation. The only remaining question is how to meet any need resulting from the retirement of San Onofre.

² California Air Resources Board, 2208-2012 Emissions for Mandatory Greenhouse Gas Emissions Reporting Summary (Nov. 4, 2013) (showing increase in in-state greenhouse gas emissions from 30,732,214 metric tons in 2011 to 41,610,182 in 2012 and attributing change to increase in use of natural gas as fuel due to decrease in hydroelectric generation and loss of San Onofre), *available at* <http://www.arb.ca.gov/cc/reporting/ghg-rep/reported-data/2008-2012-ghg-emissions-summary.pdf>.

³ Depending on the outcome of a review of how energy demand is allocated in and outside the LA Basin, the Mid-Case Final Demand Forecast in the 2013 IEPR projects between 461 and 1,321 less need in the LA Basin and SDG&E service territory than the 2012 IEPR relied on by the Preliminary Reliability Plan. In addition, Mid-Case energy efficiency savings would further reduce demand by 2,107 MW, over twice the 1,000 MW of energy efficiency savings assumed in the Reliability Plan. Mid-case savings are based on conservative assumptions and are defined as "most likely" to occur.

⁴ For example, under a recent CPUC decision, SCE and SDG&E are collectively required to procure 745 MW of energy storage by 2020. Guiding principles for procurement include "optimization of the grid, including peak reduction." To maximize value of energy storage to ratepayers and avoid costly overprocurement of gas-fired plants, a significant portion of the energy storage requirement can and should be targeted and designed to meet peak capacity needs.

substation would reduce generation need in the LA Basin by up to 1,200 MW – the equivalent of two new mid-size gas plants.

Given the Preliminary Reliability Plan's significant flaws it should not be used as a reference to inform decision-making on San Onofre replacement. Accordingly, the Commission should remove statements in the Final 2013 IEPR that can be construed as an endorsement of the Plan. For example, page 9 states:

The CPUC will implement its decision, as part of its Long Term Procurement Plan proceeding, to replace San Onofre capacity and new load growth with 50 percent preferred resources and 50 percent conventional resources. Also, the CPUC will make timely decisions regarding approval of power purchase agreements for capacity.

It is not the role of the Energy Commission or the IEPR to prejudge outcomes of the CPUC's independent authority to determine procurement needs. This sentence should be removed from the IEPR. For the same reason, the sentence on page 181 stating that "The closure of San Onofre in 2012 requires some replacement generation from a combination of natural gas and preferred resources" should also be removed. Similarly, page 33 states:

Implement the Action Plan for the Comprehensive Energy Efficiency Program for Existing Buildings. The Energy Commission plans to adopt its final Action Plan for the Comprehensive Energy Efficiency Program for Existing Buildings in late 2013. The Action Plan and future year updates should become a core component of the California Long Term Energy Efficiency Strategic Plan and the Scoping Plan for AB 32, the Global Warming Solutions Act of 2006. *Initiatives consistent with the AB 758 Action Plan should also become a critical component of California's efforts to replace San Onofre with 50 percent preferred resources.* [emphasis added]

While we support adoption of a comprehensive energy efficiency action plan, the last sentence should be removed. It is unnecessary and improperly endorses the Reliability Plan.

Now is the time for California to lead on clean energy and clean air. We have an opportunity to demonstrate that deployment and proper accounting of efficiency, clean energy and infrastructure upgrades can fully address reliability issues resulting from the closure of the San Onofre nuclear facility. Rather than endorse the unsubstantiated 50/50 procurement proposal, we strongly urge the Commission to help ensure California meets any need resulting from the retirement of San Onofre using 100% preferred resources.

Thank you for your consideration of these comments. We look forward to working with the Energy Commission to help build a clean energy future for California.

Matthew Vespa
Senior Attorney
Sierra Club

Shana Lazerow
Staff Attorney
Communities for a Better Environment

Strela Cervas
Co-coordinator
California Environmental Justice Alliance

Stephanie Wang
Policy Director
Clean Coalition

Miya Yoshitani
Executive Director
Asian Pacific Environmental Network

Lauren Navarro-Treichler
Senior Manager
Environmental Defense Fund

Jim Baak
Policy Director
Vote Solar Initiative

Sierra Martinez
Legal Director, California Energy Project
Natural Resources Defense Council

Cc:

Hon. Jerry Brown, Governor of the State of California

Robert Weisenmiller, Chair, California Energy Commission
Karen Douglas, Commissioner, California Energy Commission
David Hochschild, Commissioner, California Energy Commission
Janae Scott, Commissioner, California Energy Commission
Andrew McAllister, Commissioner, California Energy Commission

Michael Peevey, President, California Public Utilities Commission
Mark Ferron, Commissioner, California Public Utilities Commission
Mike Florio, Commissioner, California Public Utilities Commission
Catherine Sandoval, Commissioner, California Public Utilities Commission
Carla Peterman, Commissioner, California Public Utilities Commission

Felicia Markus, Chair, California Water Resources Board
Mary Nichols, Chair, California Air Resources Board
John Laird, Secretary, California Department of Natural Resources
Michael Picker, Office of the Governor of California

Stephen Berberich, President and CEO, California Independent System Operator
Ashutosh Bhagwat, Director, California Independent System Operator
Robert Foster, Director, California Independent System Operator
Angeline Galiteva, Director, California Independent System Operator
Richard Maullin, Director, California Independent System Operator
Dave Olsen, Director, California Independent System Operator

Energy - Docket Optical System

From: Matt Vespa [matt.vespa@sierraclub.org]
Sent: Monday, December 23, 2013 12:35 PM
To: Energy - Docket Optical System
Cc: Weisenmiller, Robert@Energy; KLdouglas@energy.ca.gov; Hochschild, David@Energy; janae.scott@energy.ca.gov; McAllister, Andrew@Energy; mp1@cpuc.ca.gov; mark.ferron@cpuc.ca.gov; mike.florio@cpuc.ca.gov; catherine.sandoval@cpuc.ca.gov; Peterman, Carla J.; Marcus, Felicia@Waterboards; Nichols, Mary D. @ARB; CNRA Office of the Secretary; Jerry.Brown@gov.ca.gov; Michael.Picker@gov.ca.gov; sberberich@caiso.com; abhagwat@caiso.com; rfoster@caiso.com; agaliteva@caiso.com; rmaullin@caiso.com; dolsen@caiso.com
Subject: Joint Environmental Comments on Reliability Plan and References in Final IEPR (Docket No. 13-IEP-1A)
Attachments: Joint Environmental Comments on IEPR and Reliability Plan 12 23 13.pdf

Attached please find comments by the Sierra Club, Communities for a Better Environment, California Environmental Justice Alliance, Clean Coalition, Environmental Defense Fund, Asian Pacific Environmental Network, The Vote Solar Initiative, and the Natural Resources Defense Council on the Preliminary Reliability Plan for Los Angeles Basin and San Diego and its reference in the Final 2013 Integrated Energy Policy Report.

As set forth in the attached letter, due to the significant impacts of new gas plants on California's clean air and climate goals and the lack of need for new authorizations of fossil-fuel generation to maintain grid reliability, we ask that the Preliminary Reliability Plan not be approved, that the Energy Commission remove all references in the IEPR that could be construed as an endorsement of the Plan, and that the Commission help work toward a 100% preferred resource solution to meet any need resulting from the retirement of the San Onofre Nuclear Generating Station.

Thank you,
Matt Vespa

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Matthew Vespa
Senior Attorney
Sierra Club Environmental Law Program
85 Second St, 2nd Floor
San Francisco, CA 94105
Phone: (415) 977-5753
matt.vespa@sierraclub.org

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