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Subject: Comments to the Lead Commissioner Workshop on Integrating Environmental Information in Renewable Energy Planning Processes (August 5, 2014)

Docket Number: 14-IEP-1C

I. Introduction and Summary

The Nature Conservancy, Natural Resources Defense Council, Defenders of Wildlife, and Sierra Club ("Joint Conservation Parties") respectfully submit these comments to the California Energy Commission (CEC) in regards to the Lead Commissioner Workshop on Integrating Environmental Information in Renewable Energy Planning Processes, held on August 5, 2014. Defenders of Wildlife is submitting separate comment letter that address other elements and topics relevant to the scope of the workshop.

The Joint Conservation Parties thank the CEC for hosting the workshop and strongly support the ongoing collaboration between the CEC, the California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO) to improve coordination between land use, electricity generation, and transmission planning processes.

Achieving a low carbon energy future is critical for California – for our economy, our communities and the environment. Achieving this future—and *how* we achieve it—is critical for protecting California's internationally treasured landscapes, productive farmlands, and diverse habitats. Coordinated and comprehensive energy planning

processes – that integrate land use, electricity generation, and transmission planning – are important to achieve multiple policy goals that benefit people and nature.

The California Desert Renewable Energy Working Group (CDREWG) recently released a vision/values statement[1] that underscores the importance of comprehensive planning to achieve multiple policy goals:

> "Prudent planning can help achieve our emission reduction goals while lessening the impact that clean energy resources could have on the very conservation values we are trying to protect. Developing clean energy to meet demand reliably without equal attention to protecting California's conservation values defeats the purpose of clean energy, and is unacceptable. California's wealth of clean energy resources should allow it to attain clean energy goals reliably, in a balanced fashion, avoiding or minimizing impacts on precious resources and providing compensatory mitigation where impacts cannot be fully avoided. Meanwhile, responsibly siting clean energy projects can provide opportunities and resources to engage in planning efforts that conserve California's ecosystems that otherwise would not be available."

Comprehensive planning for energy and conservation requires consistent coordination and communication across multiple stakeholders and agencies at the local, state, and federal level; the workshop is an example of the progress that has been made in this direction, and CEC should build upon the momentum by adopting specific actionable recommendations within the 2014 Integrated Energy Policy Report (IEPR) update. The balance of this letter identifies several such recommendations.

II. The CEC, CPUC, and CAISO should continue to improve how landscape-scale planning for energy informs, and is incorporated into, electricity generation and transmission planning.

In recent years, tremendous public and private investments have been made in landscape-scale planning for energy at the local, state, and federal levels (e.g., BLM Western Solar Program, the WGA Renewable Energy Zone initiative, Desert Renewable Energy Conservation Plan). These planning processes, and data generated by their development, should be carefully considered and inform agency decision-making and planning processes.

As discussed at the workshop, landscape-scale planning for conservation and energy development is at the heart of the Department of Interior's Mitigation Strategy[2]. The

[1] California Desert Renewable Energy Working Group. "Vision/Values Statement." Letter to Governor Edmund G. "Jerry" Brown, Jr. 30 July 2014. MS. N.p.

Mitigation Strategy has established as a guiding principle to "Incorporate landscape-scale approaches into all facets of development and conservation planning and mitigation." Our organizations believe that the California energy agencies should adopt a similar guiding principle of utilizing landscape-scale approaches in all facets of energy planning.

In the following sections, we'll discuss in more detail how environmental information should be used as a roadmap for planning processes, including scenario development, related transmission needs, and the procurement process.

a. Landscape-scale planning for energy should serve as a roadmap for planning renewable energy and related transmission development needs

We appreciate the opportunity afforded by the workshop to learn how environmental information is currently used in the CPUC's Long-Term Procurement Plan (LTPP) scenario development process and the CAISO Transmission Planning Process (TPP); and to provide feedback to these processes.

We believe that California is in an important time of transition in renewable energy development. While aspects of our energy planning tools still emphasize the project-by-project approach to long term energy and transmission planning, it's clear that there is real interest and investment in shifting the paradigm from piecemeal towards comprehensive energy planning. The tremendous public and private investments in landscape-scale planning for energy are making this transition possible in a way that it wasn't when our current tools were last revised several years ago.

Our organizations underscore the importance of a California energy future that uses landscape-scale planning to *first* identify preferred areas of least-impact for generation development, including areas near transmission with capacity or potential to upgrade existing transmission with least impacts. Following identification of new least-impact preferred generation areas, any needed new transmission can be strategically planned to serve these areas for timely development and delivery of renewable energy. The 2013 IEPR identified the need to better synchronize generation and transmission planning and permitting, which typically have very different timelines[3]. The 2013 IEPR notes that the key to overcoming the synchronization challenge is to develop a long-term transmission

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[2] Clement, J.P. et al. 2014. A strategy for improving the mitigation policies and practices of the Department of the Interior. A report to the Secretary of the Interior from the Energy and Climate Change Task Force, Washington, D.C., 25 p.

[3] California Energy Commission. 2013. 2013 Integrated Energy Policy Report. Publication Number: CEC-100-2013-001-CMF. Page 18.

plan for preferred renewable generation zones[4] and that landscape-scale planning underway now will help with that synchronization[5].

The CPUC should work with CAISO and CEC to identify transmission that prioritizes renewable energy generation in low-impact areas (e.g., zones) identified through publicly reviewed and adopted landscape-level planning processes. Low-impact areas need to be prioritized through joint planning processes to ensure that they're appropriately studied in the annual CAISO Transmission Planning Process.

Transmission planning processes currently rely heavily on interconnection requests and Power Purchase Agreements. However, the August 5 IEPR workshop highlights the opportunity to consider multiple values when making transmission investment decisions. For example, multiple values can include transmission needed to: alleviate congestion, access transmission-limited grid services, maximize resources such as storage, address local needs, provide renewables integration, reduce the need for new gas-fired generation and accelerate generation in areas we wish to encourage such as designated low-impact renewable energy zones (e.g., Desert Renewable Energy Conservation Plan Development Focus Areas, when final) and other areas where development will have low impact on biological and agricultural resources (e.g., areas of least-conflict within the Western San Joaquin Valley).

The CPUC, CEC, and CAISO should use best available scientific information, available geospatially, to guide generation and transmission planning. It may benefit the agencies to have a common scientific data platform that is applied across all energy planning. Such a platform would provide a greater sense of consistency and certainty afforded by a common scientific baseline that is more easily understood, more efficient, and provides greater understanding, transparency and public accountability for all interested parties. For example, the Data Basin model used for the DRECP is already serving this role in a landscape-scale energy and conservation planning effort.

Transmission projects currently have a long lead-time. Providing access to transmission with available capacity within low-impact zones is one of the major benefits that could come from landscape-scale planning for energy and a key incentive for renewable energy developers. Conversely, failing to plan for serving the identified generation development zones could have significant impacts on the success of these planning efforts. This is an area where enhanced, early coordination among CAISO and state and federal planners is needed.

[4] California Energy Commission. 2013. 2013 Integrated Energy Policy Report. Publication Number: CEC-100-2013-001-CMF.Page 174.
[5] California Energy Commission. 2013. 2013 Integrated Energy Policy Report. Publication Number: CEC-100-2013-001-CMF.Page 174.

***Recommendation*:** The CPUC and CEC should use the upcoming RPS Calculator revision as an opportunity to develop a methodology that creates scenarios that emphasize renewable generation deployment in low-impact areas (e.g., zones), and prioritizes multi-benefit transmission solutions to serve these locations, whether as expansion of existing lines or creation of new ones.

Recommendation: For the 2015-2016 LTPP – which will not have the benefit of revised RPS Calculator environmental methodology – the CPUC should conduct an independent study that analyzes a marked increase in renewable generation resources including a significant deployment of both distributed generation resources and utility-scale renewable resources located in low-impact areas (e.g., zones).

***Recommendation*:** The CAISO should consider environmental information in transmission decision-making for all policy, reliability, and economic lines. Our organizations were pleased to see CAISO make progress in this direction through the Imperial County Transmission Stakeholder Consultation Process. In this process, CAISO is considering the results of a study by Aspen Environmental[6] that analyzed the environmental feasibility of potential transmission options. Environmental information, and feasibility, should be considered as early as possible in generation and transmission planning, using the best-available scientific information. The Garamendi Principles[7] require that rights-of ways are *justified by environmental, technical, or economic reasons*. Avoiding harm to protected species should be a key policy consideration in complying with the Garamendi Principles.

b. Landscape-scale planning for energy should influence procurement

Under existing planning processes, there is an important connection between the project-by-project decisions made in renewable energy procurement and the success of landscape-scale planning for energy; this connection lies in the significance of the Power Purchase Agreement (PPA) in the Long Term Procurement Planning process and the Transmission Planning Process. A project with a PPA is deemed highly viable[8] in the renewable resource portfolio development process of the LTPP proceeding, and these portfolios are used by the CAISO in the annual TPP. Therefore, if the existing transmission planning process for renewable resources is heavily shaped by procurement decisions and interconnection

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[6] Lee, Susan, Brewster Birdsall. (Aspen Environmental Group). 2014. *Transmission Options and Potential Corridor Designations in Southern California in Response to Closure of San Onofre Nuclear Generating Stations (SONGS): Environmental Feasibility Analysis.* California Energy Commission. Publication Number: CEC-700-2014.

[7] Senate Bill 2431, Garamendi, Chapter 1457, Statutes of 1988.

[8] CPUC, *Planning Assumptions and Scenarios for use in the CPUC 2014 Long-Term Procurement Plan Proceeding and CAISO 2014-15 Transmission Planning Process.* Page 15.

requests, then the RPS procurement process needs to begin integrating the appropriate principles of landscape-scale planning and least-impact development now, to ensure that future transmission investments are made to areas identified as preferred for renewable generation.

The CPUC's procurement tools and the transmission planning process were developed before the landscape-scale planning processes for renewable energy were initiated. Now that some landscape-scale planning efforts for renewable energy have been completed, and other planning efforts are underway, it is essential to include this information, as it is completed, in the procurement process. Better alignment between procurement and landscape-scale energy planning efforts provides a mechanism to prevent project-by-project procurement decisions from unintentionally undermining the ultimate success of these planning efforts, as well as a mechanism to expedite renewable energy development in areas of low-impact. It also capitalizes on the significant investment by local, state and federal agencies, as well as the public, on these processes.

Recommendation: The CPUC should use its existing authority and associated decisions to revise and improve RPS procurement tools that already require Investor Owned Utilities to consider environmental information in the evaluation of offers, including the Project Viability Calculator and Least-Cost Best-Fit. These tools have not been updated in several years and should be modernized to reflect the advances in energy and conservation planning within California and the West. Improved alignment of procurement and planning will bring forth important environmental information earlier in contract decision-making process; this capitalizes on investments in planning, minimizes risks, and provides value to many stakeholders, including the public.

***Recommendation*:** The CPUC should act upon the following recommendation from the 2012 IEPR Update: "The CPUC should evaluate the appropriate way to consider renewable zones in the RPS procurement Requests for Offers (RFO)"[9].

III. Conclusion

We appreciate the opportunity to participate in the wide-ranging discussion at the workshop, and follow-up with written comments. Adopting landscape-scale approaches into all facets of energy planning becomes increasingly important as we look to California's energy future; deep decarbonization of the electricity sector will require a substantial transformation. With landscape-scale planning for energy and conservation, we can create a path forward where we develop meaningful incentives through good planning to enable accelerated renewable energy development in ways that protect wildlife, habitat,

[9] California Energy Commission, 2012. *2012 Integrated Energy Policy Report Update*. Publication Number: CEC-100-2012-001-CMF. Page 55.

ecosystem function, and productive farmlands. We look forward to continuing to work with you on this important issue.

Respectfully submitted,

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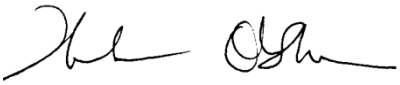

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