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LSA Comments on May 11th IEPR Renewables Workshop

Attached please find LSA's post-workshop comments from the May 11th IEPR Renewables Workshop, as well as LSA's position paper regarding treatment of behind-the-meter distributed resources under the State's RPS and climate policies.

Additional submitted attachment is included below.



May 26, 2015

California Energy Commission
Docket Office, MS-4
Docket No. 14-RPS-01
1516 Ninth Street
Sacramento, CA 95814

Submitted via email to: docket@energy.state.ca.us

Re: 15-IEPR-06 Comments on May 11th IEPR Renewables Workshop

Dear California Energy Commission:

The Large-scale Solar Association (“LSA”) appreciates the opportunity to provide the California Energy Commission (“Energy Commission”) with comments on the May 11th IEPR Workshop on Renewables. LSA was pleased to participate in the workshop and offers some additional thoughts on the topics discussed during the workshop below.

As LSA highlighted during the workshop, the Renewable Portfolio Standard (“RPS”) has effectively reduced costs and encouraged a shift toward cleaner energy over the past several years. Not only are the utilities meeting (and in some cases exceeding) the procurement obligations under the current 33% RPS, but costs have continued to decline and renewable projects are providing the state with thousands of jobs. In the last five years, solar costs have declined by 78% and LSA estimates that large-scale solar projects provided approximately 26,000 construction jobs and contributed 1.6 billion dollars in tax revenue to the State of California.¹ Development of large-scale solar projects now spans more than 20 counties, including some of the most economically depressed areas of the state. In addition, the solar industry continues to make strides on workforce development. These include partnerships with Homeboy Industries, Grid Alternatives and support of Solar Ready Vets.²

LSA strongly supports expanding the current and proven RPS framework to 50% by the year 2030. Expanding the current RPS will ensure the continuation of a robust wholesale renewable market, which is key to meeting the state’s greenhouse gas reduction goals.³ Going forward, the state should focus on ensuring the program is sending clear predictable signals to the market. This is possible under the current RPS structure, where in the case of the investor owned utilities they continue to refine their evaluation process based on their projected needs and this is communicated and approved as part of their annual RPS Plans and solicitations. We note that during the workshop there appeared to be consensus among many stakeholders both that the

¹ Based on Lazard’s Levelized Cost of Energy Analysis – Version 8.0 (Fall 2014), Energy Commission’s Tracking

² See [Solar Foundation’s 2014 Solar Jobs Census](#), [SunEdison and Grid Alternatives Women in Solar initiative](#)

³ E3 California PATHWAYS: GHG Scenario Results (February 2015)

existing framework provides for continued refinement and that the RPS should continue to be technology neutral. Technology neutrality affords utilities the flexibility to procure and manage energy resources aligned with its and system needs. In addition, focusing on sending procurement signals based on attributes rather than a specific technologies, allows industry to respond and innovate to meet evolving needs.

It is clear that deep penetration of renewables is feasible and will bring a host of benefits to the state.⁴ However, as with any major shift, it will require examining and improving how the grid is managed currently to make most efficient use of existing resources and deploy renewables and other complementary policies, including storage and load in different ways to help support grid reliability. In order to ensure reliability and achievement of these goals at a low cost, continual improvement is needed both to optimize the current system and to ensure careful coordination of complementary policies, including but not limited to:

- Improve participation in CAISO's energy markets and encourage the provision of ancillary services from a range of low-carbon resources.
- Increase the general flexibility and price-responsiveness of the system through greater regional coordination, improved responsiveness of imports and combined heat and power, and leveraging storage and the existing gas fleets to ensure we are making best use of both existing and planned resources.
- Develop rates and mechanisms that encourage price responsiveness for load, including electric vehicles and demand response to take advantage of midday solar production.
- Align the market signals coming out of the California Public Utilities Commission solicitations (including RPS, Storage, Resource Adequacy and LTPP) with improvements to the CAISO markets in to ensure that generators are appropriately compensated for the provision of additional services.
- Continue thoughtful and holistic transmission planning efforts

Coordinating and aligning these efforts does not, however, mean that these separate efforts can or should fall under the RPS. In order to maintain a robust renewables market and ensure continued real progress towards GHG reductions, any extension of the RPS needs to continue to recognize and prioritize the unique value of wholesale renewable resources. Great care needs to be taken to preserve the integrity of the current RPS accounting system and compliance rules and ensure that the RPS program, which has taken many years to develop and refine, is not dismantled. For further background on this issue, we are attaching to this comment letter, LSA's brief issue paper regarding the role of behind-the-meter distributed resources as they relate to the RPS.

LSA appreciates the opportunity to provide these comments.

Sincerely,

⁴ *Id.*; California Air Resources Board, Frequently Asked Questions About Executive Order B-30-15 2030 Carbon Target and Adaptation (April 2015).

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