

DOCKETED

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**California Energy Commission
2015 IEPR Lead Commissioner Workshop**

AGENDA: Southern California Electricity Reliability

Monday, August 17, 2015 – 10:00 a.m.
University of California, Irvine
Student Center, Ballroom C

(Listed times are general guidelines only)

Introduction (10:00)

Heather Raitt, IEPR Lead

Opening Comments (10:05)

Commissioner Andrew McAllister, Lead Commissioner for IEPR
Chair Robert Weisenmiller, California Energy Commission
President Michael Picker, California Public Utilities Commission
Commissioner Michel Florio, California Public Utilities Commission
Chairman Mary Nichols (or representative), Air Resources Board
Steve Berberich, California Independent System Operator
Barry Wallerstein, South Coast Air Quality Management District
Jonathan Bishop, State Water Resources Control Board

Background and Purpose of the Workshop (10:25)

Mike Jaske, Energy Commission

Panel 1: Update on Activities Identified in Draft Plan (10:30)

Preferred Resource Development and Generation Power Purchase Agreements

- Michele Kito, California Public Utilities Commission
- Jim Avery, San Diego Gas & Electric
- Caroline McAndrews, Southern California Edison

Transmission System Additions

- Tom Doughty, California Independent System Operator
- Jim Avery, San Diego Gas & Electric
- Dana Cabbell, Southern California Edison

Generation Permitting

- Roger Johnson, Energy Commission

Lunch (12:15-1:15)

Panel 2: Continued Update on Activities Identified in Draft Plan (1:15)

Projection Tool to Support Contingency Mitigation Decision-making

- Mike Jaske and Lana Wong, Energy Commission

Contingency Mitigation Options

- Mike Jaske, Energy Commission

Break (3:00)

Panel 3: Environmental Agency Considerations (3:15)

Air Credits in South Coast Air Basin and San Diego

- Mohsen Nazemi, South Coast Air Quality Management District
- John Annicchiarico, San Diego Air Pollution Control District

U.S. Environmental Protection Agency Regulations

- Lisa Beckham, U.S. EPA Region IX (**WebEx**)
- Tung Le, California Air Resources Board

Public Comments

Lead Commissioner Summation/Closing Remarks

Adjourn

Questions for Panelists

Panel 1: Preferred Resources and Conventional Generation

Q2 – How have the IOUs proposed to translate direction to procure “preferred resources” into specific proposals to secure energy efficiency, demand response, distributed generation, etc.?

Q3 – IOUs prepare and submit generation/preferred resource/storage PPAs to the CPUC for review and possible approval. What is the status of IOU efforts to prepare and submit PPAs?

Q4 – What is the status of CPUC review and approval of IOU PPAs?

Q5 – What issues exist for getting Carlsbad development underway, and what are the key milestones for its scheduled development that SDG&E envisions at this time?

Q6 – What issues have surfaced in the AFC proceedings at the CEC for the five power plant applications for certification (AFC) or permit amendments for repowering fossil once-through cooling facilities?

Panel 2: Other Activities within the Draft Plan

Q1 – What is the status of the transmission system upgrades that the ISO Board has approved as partial mitigation for the loss of OTC facilities and/or SONGS? Identify any problems in the approval, equipment design/order, or project implementation activities for each project.

Q2 – How is the ISO using its annual transmission planning process to study further transmission system upgrades?

Q3 – What is the status of efforts to develop mitigation options in the event there are contingencies that cannot be overcome by existing project identification, approval and development processes?

Q4 – What is the status of efforts under the Southern California Reliability Project to develop a tool to assess whether resource development (both demand-side and supply-side) is on track to satisfy local capacity requirements resulting from SONGS retirement or OTC policy-based retirements?

Panel 3: Environmental Considerations

Q1 – Does South Coast AQMD anticipate sufficient credits in its internal bank to cover generation development needed to replace SONGS and fossil OTC facilities, including the requirements of LADWP?

Q2 – In addition to Rule 1304(a) allowing exemption from the provision of ERCs for some pollutants, SCAQMD is developing proposed rules 1304.2 and 1304.3 that would enable access to Rule 1315 credits for some pollutants for new greenfield facilities. What is the status of this rule development? Does South Coast AQMD anticipate that the contingent generator concept can be included within these proposed rules?

Q3 – What are the specific issues with permitting a conventional generator as a contingency mitigation measure that would “sit on the shelf” undeveloped and triggered only under specific conditions? How can these issues be overcome to make this concept workable?

Q4 – Already permitted conventional generation can be viewed as one option of contingency generation. There can be two types: 1) permitted projects that have not started construction; and 2) projects that have started/completed construction of one phase with a second phase permitted but not yet constructed. What permitting issues are pertinent to one type but not the other? How long are the air permits viable for the second stage of a two stage project?

Q5 – How will South Coast AQMD’s Rule 1304.1 Electrical Generating Facility Fee For Use Of Offset Exemption work for already permitted conventional generation with multiple phases including a contingent phase? Will fees be collected for the entire project including the second contingent phase? If the second contingent phase is never constructed, are the fees refundable? Is there an option to remit fees in phases, so that fees for the second phase are only paid if the project goes forward?

Q6 – The NRG permit amendment for Carlsbad submitted to the Energy Commission proposes six LMS 100 combustion turbines, while the PPA approved by the CPUC between SDG&E and NRG only authorizes a contract with five combustion turbines. Assuming NRG does not build out the full six turbines it has proposed to the Energy Commission, how long will the air permit issued by SDAPCD for the sixth turbine remain viable (this can be viewed as a variant of an already permitted contingent generator)?

Q7 – Staff of the agencies participating in the Southern California Reliability Project, in cooperation with SWRCB staff, are developing a paper outlining the steps and timeline of the process for an OTC compliance date deferral request should making one ever become necessary. Are there any unresolved issues in reaching consensus about the approach and timeline should such a deferral request be necessary to assure reliability?

Q8 – How do the final USEPA regulations for new generation pursuant to CAA 111(b) and proposed regulations for existing generation pursuant to CAA 111(d) affect either the general approach proposed by agency staff in the Preliminary Southern California Reliability Plan or the specific PPAs proposed by the utilities pursuant to D.14-03-004 or approved by the CPUC in D.15-05-051?