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*Comment Received From: Cathleen Colbert
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Vistra Corp Comments on 2020 IEPR Update

Additional submitted attachment is included below.



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12/17/2020

California Energy Commission
Docket Unit, MS-4
Docket No. 20-IEPR-03
1516 Ninth Street
Sacramento, CA 95814-5512

SUBJECT: 2020 Integrated Energy Policy Report Update (2020 IEPR Update)

Vistra Corporation (“Vistra”) appreciates the opportunity to comment on the workshop discussing updates to the California Energy Demand 2019-2030 Forecast (“2020 IEPR Update”) held on December 3, 2020. Vistra provides 1,185 MW thermal generation capacity to the state via facilities under CEC jurisdiction located in Moss Landing and Oakland. We also serve retail natural gas products to California consumers within the state. In addition, Vistra is expanding our fleet to include battery energy storage systems at our Moss Landing and Oakland sites. As of 2021, our energy storage capacity will be 436.25 MW/1,745 MWh. We continue to explore further battery energy storage expansion opportunities. Our development of viable storage projects furthers state progress towards environmental and clean energy goals.

Vistra appreciates the challenge that CEC staff faced when evaluating whether to adjust its forecast methods based on the fundamental changes during 2020 due to the COVID-19 pandemic. We wholly agree that there is a great deal of uncertainty in the near-term, potentially until 2024. Vistra thanks CEC for acknowledging that it believes there could be issues with either adopting the standard or alternate benchmark approach to updating the peak forecast. The events of 2020 were unforeseen and unforecastable. Similarly, we think that the extreme level of uncertainty on load trends in the near-term are similarly hard to predict.

Vistra notes that California is beyond the initial downturn related to COVID-19 pandemic where the validity of the forecast in the near-term and long-term are the instant questions. We focus our feedback to the need for valid near-term peak forecasts. Vistra requests CEC consider in the 2020 IEPR Update that it will bring to the Commission for approval in January maintaining the standard benchmark approach at this time. It may be more prudent to evaluate changes to benchmarking under the full IEPR next year. In near-term, Vistra believes it is appropriate to establish the updated peak forecasts under the standard approach.

While we acknowledge loads decreased slightly as result of the shutdown, our operational experience indicates this has not been a significant decrease that would necessitate forcing an alternate approach that appears to reflect a more dramatic downturn than was observed. California saw large demand levels during the summer WECC-wide heat storm that highlighted need for additional capacity. We are unsure if deviating from the standard benchmark approach will more accurately forecast near-term needs. It is unknown what the load curve would have looked like under the weather conditions in 2020 absent of COVID-19. The peak forecast will impact procurement and planning going forward, where the benefit from estimating the initial downturn is unclear. Vistra thinks it would be more prudent to maintain the standard benchmark approach and evaluate changes in the next full IEPR.

Vistra appreciates the opportunity to provide these comments to the CEC. This is a complicated, unprecedented time and we support CEC efforts to ensure peak forecasts are valid and robust. We appreciate your consideration of our input and thank Staff for your efforts under this proceeding.

Sincerely,

Cathleen Colbert

Director, CAISO Market Policy