

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop an  
Electricity Integrated Resource Planning  
Framework and to Coordinate and Refine  
Long-Term Procurement Planning  
Requirements.

Rulemaking 16-02-007  
(Filed February 11, 2016)

**COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION  
ON PROPOSED SCENARIOS FOR THE  
2019-2020 REFERENCE SYSTEM PLAN**

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***On behalf of the California Wind  
Energy Association***

March 5, 2019

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Pursuant to the February 11, 2019, Ruling of Administrative Law Judge (“ALJ”) Julie Fitch, the California Wind Energy Association (“CalWEA”) submits these comments on the questions posed in the Ruling regarding the proposed scenarios to be used in the development of the Reference System Plan (“RSP”) for the 2019-2020 cycle of the Integrated Resource Planning (“IRP”) process. We comment only on Question 3.

**Question 3: Do you recommend alternative scenarios or sensitivities for the 2030 timeframe that should be studied? If so, provide detailed rationale and data sources for the proposed additional scenarios.**

Yes, CalWEA recommends that Energy Division conduct two sensitivities to compensate for two tenuous assumptions in the proposed scenarios that, if untested, will taint the conclusions of the thermal generation studies relating to system reliability and economic storage needs. The two assumptions are: the assumed indefinite continued operation of existing renewable resources without long-term contracts;<sup>1</sup> and the assumed minimum net-exports of 2,000 MW. Both of these assumptions will serve to underestimate needed system balancing resources – the first by assuming that the baseline portfolio will be more diverse than it is likely to be (absent active measures to preserve this diversity), and the second by assuming that there will be markets for

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<sup>1</sup> Energy Division staff indicated on the 2-28-19 webinar that assumed baseline resources will include these resources, despite objections previously raised by CalWEA and other parties.

excess solar production outside the CAISO footprint such that associated Renewable Energy Credits are produced and counted towards Renewables Portfolio Standard (“RPS”) requirements, rather than lost to curtailment.

Accordingly, CalWEA recommends that two sensitivities be run in the RESOLVE modeling process:

- 1. Retirement of pre-RPS-vintage resources.** Assume that all, or a substantial portion of, renewable energy generation that is eligible under the RPS but was built prior to the 2002 RPS statute and is without long-term contracts, ceases to operate by 2026. Most of these resources, which are primarily wind, biomass and geothermal facilities, were built in the 1970s or 1980s.<sup>2</sup> Alternatively, include these resources in the supply curve assuming their operations costs or repowering costs.
- 2. Zero net exports.** Consistent with current and historical net-export levels, conduct a sensitivity assuming zero net exports.

CalWEA recently explained why the scenarios should incorporate the above assumptions.<sup>3</sup> To briefly recap: existing 1980s- or earlier-vintage resources should not be included in the base case because they are at risk of retirement for lack of sufficient revenues and because they may be double counted because they are also included in the proposed portfolios of various Community Choice Aggregators and Energy Service Providers. And staff’s “low net export” assumption (if not the default option) should be zero, consistent with current and historical net-export levels. There are no institutional, regulatory, or technical barriers to exporting energy out of the CAISO; lack of export is due to neighboring utilities’ choice not to import power from CAISO based on their own considerations. Absent indications that these considerations will change, leading to greater imports of CAISO excess energy particularly on a short-term basis, the Commission should not assume that exports will rise significantly. As staff has apparently chosen not to incorporate these assumptions in the base case, it is imperative that they at least be included as sensitivities.

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<sup>2</sup> CalWEA estimates that this would include the equivalent of approximately 1,800 MW of geothermal resources and 650 MW of biomass resources (assuming 80% capacity factor) and approximately 1,000 MW of existing, un-repowered, wind facilities.

<sup>3</sup> See Comments of the California Wind Energy Association on Inputs and Assumptions for Development of the 2019-2020 Reference System Plan (January 4, 2019).

If these sensitivities are not run, the results of planned IRP modeling – which is aimed at testing system reliability with various levels of thermal generation retirements, as well as economic storage needs – will not be sufficiently reliable.

Respectfully submitted,

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***On behalf of the California Wind Energy Association***

March 5, 2019

## VERIFICATION

I, Nancy Rader, am the Executive Director of the California Wind Energy Association. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of “Comments of the California Wind Energy Association on Proposed Scenarios for the 2019-2020 Reference System Plan” are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 5, 2019, at Berkeley, California.

/s/ Nancy Rader  
Nancy Rader  
Executive Director  
California Wind Energy Association