BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.	Rulemaking 20-05-003 (Filed May 7, 2020)

THE PROTECT OUR COMMUNITIES FOUNDATION COMMENTS ON THE PROPOSED DECISION REQUIRING PROCUREMENT TO ADDRESS MID-TERM RELIABILITY (2023-2026)

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The Protect Our Communities Foundation ("PCF") provides these opening comments on *The Proposed Decision Requiring Procurement To Address Mid-Term Reliability (2023-2026)* ("PD").[1] These comments are timely filed pursuant to Rule 14.3.

I. INTRODUCTION

PCF appreciates the PD signaling that the Commission will likely soon transition away from the 46 MMT GHG limit to a 38 MMT limit. PCF encourages the Commission to further analyze, evaluate and adopt the 30 MMT GHG limit because California can also quickly achieve the 30 MMT requirement if the Commission orders the clean energy generation to do so. The PD also makes the reasonable and appropriate decision to align the requirements for imports with the requirements already set in the resource adequacy proceeding.[2] Finally, the PD correctly decides to eliminate the option for LSEs to opt out of their procurement responsibilities. LSEs should continue to develop their procurement expertise. Each LSE must be able to run its own solicitations or partner with larger LSEs to complete needed solicitations. While PCF agrees with the items above, PCF also has concerns about key conclusions inaccurately reached by the PD.

The following comments focus on PCF's concerns and recommended changes to the PD. The PD should (1) acknowledge that renewable energy can provide firm capacity and achieve high ELCC factors when paired with storage, (2) eliminate any fossil-fueled generation

[1] R.20-05-003, *Proposed Decision Requiring Procurement To Address Mid-Term Reliability (2023-2026)* ("PD"), (May 21, 2021).
[2] PD, p. 47.

procurement requirement, and (3) should fairly allocate procurement capacity among LSEs, taking into consideration LSEs' existing portfolios.

This PD represents a critical decision for the Commission. The record shows and the following comments detail how renewable energy paired with storage has become cheaper, cleaner and more reliable than gas-fired generation. Energy Division modeling, previous Commission decisions, the IOU's Joint ELCC Study, UC Berkeley, Lazard, GTM Research, and the results of real-world solicitations have all determined that California only needs to procure renewable energy and storage going forward. The overwhelming evidence shows that the Commission should reject any new fossil fuel procurement including the fossil fuel procurement ordered in the PD.

II. SOLAR PLUS STORAGE CAPACITY RETAINS A HIGH ELCC AND SHOULD BE SPECIFIED AS FIRM CAPACITY.

The PD states that:

> The February 22, 2021 ALJ ruling proposed, due to the significant amount of capacity needed in the 2024-2026 timeframe associated with the retirement of Diablo Canyon and OTC plants, which are firm capacity resources, that at least some of the replacement capacity be similarly firm in nature. Longstanding concerns about resource diversity also led to this suggestion, along with the declining ELCC values of solar, solar plus storage, or standalone battery storage.[3]

The PD mischaracterizes the effective load carrying capability ("ELCC") value of solar plus storage. Previous Commission decisions have noted that solar plus storage provides firm capacity. D.20-03-028, the decision that adopted the 2019-2020 Reference System Plan ("RSP"), used 2,000 MW of "generic effective capacity" to achieve lower than 0.1 loss of load expectation ("LOLE"), thus achieving system reliability. Just last year, the Commission held in D.20-03-028 that "[s]uch capacity could come from a number of potential sources: firm imports, *batteries paired with solar,* geothermal, demand response, or more economic retention of existing natural gas generation" [emphasis added].[4] Thus, the Commission's decision adopting the most recent RSP specifically recognized solar plus storage's ability to provide firm capacity.

[3] PD, p. 24.
[4] D.20-03-028, p. 24.

Other evidence in the record also supports the conclusion that solar plus storage can provide firm capacity. A 2020 Joint IOU study ("ELCC Study") found that solar plus storage resources can achieve a 97% ELCC.[5] The utilities' collective conclusion about the value of solar plus storage establishes that their rating of solar plus storage exceeds CAISO's evaluation of gas-fired generators' weighted seasonal average availability factor of 87.7%.[6] Thus, solar plus storage achieves a greater reliability than gas-fired generation. Astrape Consulting, the author of the ELCC Study concluded that "The assumptions for short duration battery storage resources in this study - including when modeled as part of a hybrid resource - produce nearly maximal reliability benefit, with ELCC values approaching 100%."[7]

Recognizing and incorporating the undisputed value of solar plus storage into the procurement choices ordered by the PD provides a clear method for the Commission to comply with California's clean energy mandates and goals as well. The PD itself refers to the ability of renewables to provide firm capacity when it states "the description of the attributes we are seeking in this second category of resources to include either firm (with a capacity factor of at least 85 percent) and/or dispatchable (during hours 17 and 22 daily) energy delivery."[8] But the PD fails to incorporate this data into its procurement orders completely and instead mistakenly allows for fossil fuel procurement.

The PD should be revised to remove references to "declining ELCC values of… solar plus storage."[9] Further, because the PD orders the Energy Division staff to determine the ELCC values "that will be used to count the procurement required to be online in 2023 and 2024,"[10] the Commission should also require staff to use the Joint Utilities' ELCC Study as a basis for the solar-plus-storage and wind-plus-storage ELCC values.

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[5] SCE 4382-E, SDG&E 3665-E, PG&E 6041-E, Astrape Consulting 2020 Joint IOU ELCC Study Report 2 ("ELCC Study"), (December 11, 2020) Table ES-3, p. 4, (ELCC for solar plus 4 hour battery with equal capacities for solar and storage achieves a 97% ELCC in the CAISO balancing area), see http://regarchive.sdge.com/tm2/pdf/3665-E.pdf.

[6] CAISO, *Resource adequacy enhancements discussion*, (October 9, 2020), p. 23, see http://www.caiso.com/Documents/ResourceAdequacyEnhancements-Presentation-Oct9_2020.pdf.

[7] ELCC Study, p. 2.

[8] PD, p. 35, ("However, we will broaden the description of the attributes we are seeking in this second category of resources to include either firm (with a capacity factor of at least 85 percent) and/or dispatchable (during hours 17 and 22 daily) energy delivery.").

[9] PD, p. 24.

[10] PD, p. 70.

III. REQUIRING NEW FOSSIL FUEL GENERATING CAPACITY VIOLATES MULTIPLE CALIFORNIA STATUTES, CONTRADICTS THE ENERGY DIVISION'S RSP MODELING RESULTS, REDUCES RESOURCE DIVERSITY, INCREASES PARTICULATE EMISSIONS, AND INCREASES GREENHOUSE GAS (GHG) EMISSIONS.[11]

The Commission cannot order procurement of gas-fired resources without (1) violating California law, (2) contradicting the Energy Division modeling, and (3) selecting a more polluting and more expensive resource than readily available renewable resources.

A. When justifying gas-fired procurement, the PD contradicts its own claims of additionality.

The PD explains that "[o]ur primary purpose here is to require the LSEs to develop *new*… energy resources to address growing resource adequacy needs for new generating, non-generating, and hybrid resources."[12] The PD also concluded that "[t]his decision addresses the mid-term reliability needs of the electricity system… by requiring at least 11,500 megawatts (MW) of *additional* net qualifying capacity (NQC)" emphasis added.[13] Through those statements the PD makes clear that all 11,500 MW of ordered procurement represent incremental capacity. Then the PD contradicts itself by claiming that the inclusion of new fossil fuel capacity would not function as a new energy resource but rather as a replacement of existing fossil fuel capacity. The PD asserts that the ordered gas-fired capacity procurement "allows for the retirement of less efficient fossil-fueled generation in favor of more efficient and less-emitting technology."[14]

If the goal of the gas-fired generating capacity is mainly to provide minor incremental pollution benefits while keeping the same amount of fossil-fuel-based capacity online, then a more optimal strategy would be simply to keep all existing gas-fired capacity available[15] while increasing the renewable generating capacity. New capital expenditures in the form of new gas turbines needlessly extend the use of gas-fired generation at existing sites. The PD itself admits that new gas-fired generators will be more expensive than existing gas-fired generation when it states that "In order to induce developers of resources to make large capital investments and

[11] Section II of these comments are identical to PCF's Section III comments on the PD. Both the APD and the PD authorize procurement of fossil-fueled generation and thus this section is applicable to both PDs.
[12] PD, p. 20.
[13] PD, p. 2.
[14] PD, p. 43.
[15] Excluding once-through-cooling units

finance their projects, it is likely that at least a 10-year contract is necessary."[16] Thus, by maintaining existing gas-fired capacity, rather than purchasing new capacity, the Commission reduces the likelihood of stranded assets.[17] New capacity has a useful life of 40 years and analysts expect nearly all gas peaking plants to be more costly than battery backup by 2027 at the latest.[18] The PD itself acknowledges California's ability to keep gas-fired generators in standby when it states that "having [fossil-fueled resources] available, but running at their minimum levels or not running at all, still acts as an insurance policy during the operational transition to more renewables and energy storage on the system..."[19]

Minimizing the use of gas-fired generators is an excellent strategy for transitioning to carbon free energy and does not require newer more efficient gas-fired generation. Keeping the existing already-depreciated generators in reserve for a handful of peak demand hours will not create significant pollution increases compared to new generator even though those old generators are slightly less efficient than new generators would be. As California continues to expand its renewable generation capacity, the gas-fired generators will run less every season and thus pollute less every season. On the other hand, a very important goal for California involves increasing renewable energy capacity.[20] The Commission should focus on rapidly increasing renewable energy generation capacity rather than becoming distracted with building new fossil fuel capacity.

B. The Energy Division's portfolio modeling, the Commission's RSP, and third-party energy modeling have all found zero need for new gas-fired generation.

Neither the Energy Division's RESOLVE modeling, nor the SERVM modeling selected any new fossil-fueled generation.[21] However, the PD stated that "the SERVM modeling… gives us less confidence in this result." Regardless of the PD's amorphous "confidence" level, the fact

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[16] PD, p. 69.
[17] New gas generators typically have a lifespan of 40 years as noted in the PD at page 13. Thus a 10-year contract will likely lead to stranded costs unless the generators compress the capital costs of all 40 years into the initial 10-year contract.
[18] GTM Research, *Will Energy Storage Replace Peaker Plants*, 2018 Advanced Energy Conference, (March 28, 2020), p. 17, available at https://www.stonybrook.edu/commcms/aertc//conference2018/conference/presentations/Manghani_Ravi_powerpoint.pdf .
[19] PD, p. 41.
[20] Senate Bill (SB) 100 (September 2018).
[21] PD, p. 43.

remains that the quantitative modeling completed by the Energy Division selected no new gas-fired generation through 2030. The Energy Division modeling determines the most cost-effective path for maintaining reliability and establishes the resources needed to meet California's clean energy goals. The modeling embodies the method by which the Commission complies with its statutory directives when analyzing and developing procurement orders. Section 454.51(b) requires the Commission to adopt the most cost-effective path to achieve California's clean energy goals.[22] The Commission itself has adopted the modeling process as the way in which it assesses procurement alternatives, and the modeling assumptions and results constitute the evidence upon which the Commission relies to act in accordance with California's procurement statutory requirements. The Energy Division's most recent modeling resulted in recommendations that are contrary to the PD's conclusions. Moreover, no evidence in the record supports the PD's choice to require new fossil-fueled generation.

The Commission in D.20-03-028, the decision that selected the 2019-2020 RSP, detailed the renewable energy resources, including solar plus storage, that can provide firm capacity.[23] The Commission-adopted 2019-2020 RSP followed the RESOLVE modeling and included zero fossil fueled-generation through 2030.[24] The following table shows the new capacity selected in the 2019-2020 RSP.

[22] Public Utilities Code § 454.51(b), ("(b) Direct each electrical corporation to include, as part of its proposed procurement plan, a strategy for procuring best-fit and least-cost resources to satisfy the portfolio needs identified by the commission pursuant to subdivision (a).").
[23] D.20-03-028, p. 24 ("Such capacity could come from a number of potential sources: firm imports, batteries paired with solar, geothermal, demand response, or more economic retention of existing natural gas generation.").
[24] D.20-03-028, Table 5, p. 41.

Figure 1: Reprint of D.20-03-028 Table 5 showing new capacity for the 2019-2020 RPS[25]

Resource Type	2020	2021	2022	2023	2024	2026	2030
Wind	-	34	1,950	1,950	2,737	2,737	2,837
Wind on New Out-of-State Transmission	-	-	-	-	-	-	606
Utility-Scale Solar	2,000	4,000	6,000	8,000	8,000	8,000	11,017
Battery Storage	152	2,453	2,453	2,453	3,299	6,127	8,873
Pumped (long-duration) Storage	-	-	-	-	-	973	973
Shed Demand Response	-	222	222	222	222	222	222
Natural Gas Capacity Not Retained	-	-	-	-	-	-	(30)

Not only does the RSP *not* select gas-fired generation, it shows the retirement of 30 MW of gas-fired generation by 2030. Additionally, the procurement of approximately 14,500 MW of renewable energy capacity and 9,500 MW of storage by 2030 will reduce the amount of time per year that the remaining gas-fired generation will operate.

Modeling by UC Berkeley supports the conclusions in the Energy Division modeling and the Commission adopted RSP.[26] The report states that a reliable 90% clean energy grid can be built by 2035 and "no new fossil fuel plants are built."[27]

A financial and energy analysis on the levelized cost of energy ("LCOE") published annually by Lazard further bolsters the Energy Division's modeling conclusions.[28] According to Lazard, the mid-point of the LCOE range for new unsubsidized solar equals $36.5/MWh, wind equals $40/MWh, and gas combined cycle equals $58.5/MWh.[29] That shows new gas generation facilities cannot compete with the cost of renewable generation. California has already seen a power purchase agreement ("PPA") for a solar-plus-storage installation that equals $33/MWh.[30]

[25] D.20-03-028, Table 5, p. 41.
[26] The University of California Berkeley Goldman School of Public Policy, *The 2035 Report*, (June 2020), p. 29, available at http://www.2035report.com/wp-content/uploads/2020/06/2035-Report.pdf?hsCtaTracking=8a85e9ea-4ed3-4ec0-b4c6-906934306ddb%7Cc68c2ac2-1db0-4d1c-82a1-65ef4daaf6c1.
[27] *Ibid*, p. 4.
[28] Lazard, *Lazard's Levelized Cost of Energy Analysis Version 14.0* (October 2020) p. 2, (The top end of solar's LCOE range equals $42/MWh the bottom end of the range of LCOE for combined-cycle generators equals $44/MWh.) see https://www.lazard.com/media/451419/lazards-levelized-cost-of-energy-version-140.pdf.
[29] Ibid (the solar LCOE is lower still for "thin-film utility scale solar.").
[30] Greentech Media, L.A. Looks to Break Price Records With Massive Solar-Battery Project, (July 1, 2019), (LA PPA = $19.97/MWh or $33/MWh when combined with 100MW / 400MWh storage), see

That means the cost of solar-*plus*-storage in California remains below Lazard's LCOE for standalone solar and thus is less expensive than new fossil fuel generation capacity.

Further supporting the research from Berkeley and Lazard, GTM Research projects that as early as 2022 stationary storage will out-compete gas peaker plants for capacity needs.[31] It concludes that by 2027 "storage almost always wins."[32]

In CAISO service territory, California has already have achieved price parity between storage and peaker plants. SDG&E, SCE, and PG&E all ran solicitations in response to the ordered capacity procurement in D.19-11-016.[33] None of the utilities received winning bids even from *existing* gas-fired generation facilities – facilities that would not be required to recoup large initial capital expenses that new facilities will have.[34] In fact all 18 of the winning bids were either stand-alone storage or renewable generation paired with storage even though all of the facilities were competing head to head with existing gas-fired generators.

All of these Commission modeling exercises, non-Commission modeling exercises, and real-world solicitations have quantitatively determined that building new renewable energy generation capacity is cheaper, more reliable, and less polluting than gas fired generation.

Finally, the PD admits that it orders gas-fired generation *without supporting evidence* when it states that:

> For the mostly-*qualitative reasons* already discussed in this section, we are convinced that we should require between 1,000 and 1,500 MW of incremental natural gas resources that can be dispatched and also generate energy as an insurance policy to ensure reliability through the transition in the middle of this decade. [emphasis added][35]

The Commission cannot override the mountain of evidence detailing that clean energy capacity expansion best serves ratepayers and society. Qualitative reasoning referenced by the

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https://www.greentechmedia.com/articles/read/ladwp-plans-to-break-new-low-price-records-with-massive-solar-battery-proje.

[31] GTM Research, *Will Energy Storage Replace Peaker Plants*, 2018 Advanced Energy Conference, (March 28, 2020), p. 17, available at https://www.stonybrook.edu/commcms/aertc//conference2018/conference/presentations/Manghani_Ravi_powerpoint.pdf .

[32] *Ibid.*

[33] Resolution E-5101, (SCE tranche 1 procurement for D.19-11-016); Resolution E-5100, (PG&E tranche 1 procurement for D.19-11-016); Resolution E-5117, (SDG&E tranche 1 procurement for D.19-11-016).

[34] *Ibid.*

[35] PD, p. 43.

PD amounts to gut instinct and should be discarded when all the *quantitative* evidence rejects any future procurement of fossil-fueled generation. California Executive Order B-55-18 states that California's clean energy goal is "to achieve carbon neutrality as soon as possible."[36] Procurement of expensive and non-competitive fossil fuel resources moves California further away from its clean energy goal.

C. Required procurement of fossil fuel resources violates § 454.51(a).[37]

Section 454.51(a) states that the Commission shall: "Identify a *diverse* and balanced portfolio of resources needed to ensure a reliable electricity supply that provides *optimal integration of renewable energy in a cost-effective manner*. The portfolio shall rely upon zero carbon-emitting resources to the *maximum extent reasonable*…"[emphasis added].[38] The PD's order to procure up to 1,500 MW of gas-fired generation violates § 454.51(a) by reducing the diversity of grid resources and refusing to purchase clean energy capacity when clean energy capacity costs less than fossil fuel generation capacity.

The most recent statistics released by the California Energy Commission ("CEC") show that natural gas generation comprises 34.23% of the state's electricity usage.[39] The next closest generation type is large hydro with 14.62%.[40] Thus, to increase grid diversity the Commission must reduce the amount of gas-fired generation. The PD's limiting of solar and wind procurement by mandating gas-fired generation leads to a reduction in the diversity of grid resources in violation of § 454.51(a).

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[36] California Executive Order B-55-18 (September 10, 2018) (establishes a "new statewide goal…to achieve carbon neutrality as soon as possible, and no later than 2045, and achieve and maintain net negative emissions thereafter"). Available at https://www.ca.gov/archive/gov39/wp-content/uploads/2018/09/9.10.18-Executive-Order.pdf.

[37] All further references to code are to the Public Utilities Code, unless otherwise indicated.

[38] Public Utilities Code § 454.51(a), ("(a) Identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy in a cost-effective manner. The portfolio shall rely upon zero carbon-emitting resources to the maximum extent reasonable and be designed to achieve any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code or any successor legislation.").

[39] California Energy Commission, 2019 Total System Electric Generation, [last accessed June 8, 2021], see https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/2019-total-system-electric-generation.

[40] *Ibid.*

Finally, as noted above in section III (B), gas-fired generation costs more than renewable generation sources and provides less reliable capacity. New gas-fired generation remains a non-renewable resource and the data shows that it is certainly not cost-effective, thus gas-fired generation does not provide "renewable energy in a cost-effective manner" as required by § 454.51(a).

D. Required procurement of fossil fuel resources violates § 454.51(d).

Section 454.51(d) states that the Commission shall: "Permit community choice aggregators to submit proposals for satisfying their portion of the renewable integration…" In contrast the PD states that:

> The CCA community has made it clear that they are focused on non-fossil-fueled resources, and the ESPs are less likely to make these investments due to their shorter customer commitment timelines. Therefore, we find it reasonable to ask the IOUs, collectively, to seek between 1,000 MW and 1,500 MW of incremental natural gas resources as part of their allocations in this order, by no later than 2025.

The PD conflicts with Section 454.51(d) by preventing CCAs from procuring their portion of the renewable integration. If gas-fired generation were the only way to establish a reliable grid, then the Commission would be able to force CCAs into purchasing a specific generation type or direct the IOUs to procure on all customers' behalf. However, as explained above in Section II, the Commission in D.20-03-028 determined that solar plus storage can provide firm capacity and the ELCC Study confirmed that conclusion.[41] Because renewable energy generation paired with storage remains both cheaper and more reliable than gas-fired generation, the Commission must allow community choice aggregators to procure a reliable resource mix of their choice even if that means procurement of primarily renewables paired with storage. The PD's procurement order that requires the utilities to purchase up to 1,500 MW of gas-fired generation in part for the CCAs violates § 454.51(d).

[41] D.20-03-028, p. 24; ELCC Study, p. 2.

E. Required procurement of fossil fuel resources violates § 380(b)(5).

With respect to resource adequacy, § 380(b)(5) states that the Commission shall: "Maximize the ability of community choice aggregators to determine the generation resources used to serve their customers." The PD states that its primary purpose is "to address growing resource adequacy needs…"[42] The PD also noted that it has ordered gas-fired generation for qualitative reasons equivalent to gut instinct, as discussed in Section III(B) above. No evidence in the record of this proceeding supports any new procurement of gas-fired generation. Thus, without any evidentiary support, the PD violates § 380(b)(5) and CCAs' right to determine their own resource mix.

It remains undisputed on this record that renewable energy paired with storage has become cheaper, cleaner and more reliable than gas-fired generation. Energy Division modeling, previous Commission decisions, the IOU's Joint ELCC Study, UC Berkeley, Lazard, GTM Research, and the results of real-world solicitations have all determined that California only needs to procure renewable energy and storage going forward. Thus, any orders for new gas-fired generation, increase ratepayers' costs, increase pollution, increase GHG emissions, decrease grid reliability, and violate § 454.51(a), § 454.51(d), and § 380(b)(5) of the Public Utilities Code.

IV. SDG&E ALREADY PAYS FOR SIGNIFICANTLY MORE GAS GENERATION THAN OTHER UTILITIES AND SHOULD BE EXCLUDED FROM PROCURING MORE GAS GENERATION.

If the Commission continues to require new gas-fired resources despite the lack of evidence supporting such a requirement, then the Commission should make every attempt to allocate the gas-fired procurement to avoid cost-shifting from one utility's customers to another. The PD's conclusion that "[t]he [gas-fired generation] allocations are based on load share within the entire IOU territory…"[43] should be revised because procurement of gas-fired resources based on load share without accounting for existing gas-fired capacity will create cost shifting. SDG&E's portfolio already contains much more gas-fired generation than either of the other major utilities and requiring even more gas-fired generation procurement by SDG&E unfairly

[42] PD, p. 20.
[43] PD, p. 44.

shifts costs onto SDG&E customers. SDG&E customers already pay far higher rates than PG&E and SCE customers and the cost-shifting caused by a load share procurement distribution method will further unfairly skew the rates borne by SDG&E customers.

The CEC's Power Content Labels ("PCL")[44] provide only one of numerous evidentiary sources showing that the gas-fired generation percentages are extremely different from IOU to IOU. The CEC's PCLs report the natural gas generation by portfolio: SDG&E 24%, SCE 16.1%, PG&E 0%.[45] Even though the PCLs contain inaccuracies due to accounting rules, the key takeaway remains that the IOUs do not have remotely similar gas-fired generation use or capacity.

Based on the PCLs, if the Commission allotted the gas-fired procurement on load share alone, then the Commission would shift costs from ratepayers in PG&E and SCE service territory onto SDG&E customers. In the Commission's latest report on utility costs, it found that SDG&E charges its customers 41% more for electricity than PG&E and 69% more than SCE.[46] SDG&E also charges *107% more* than the Sacramento Municipal Utility District.[47] Section 451 states that "[e]very unjust or unreasonable charge… is unlawful." The Commission should not require SDG&E customers, who are already paying for much high percentages of gas-fired generation, to pay even more for *additional* gas-fired generation that SDG&E does not need.

If the Commission orders any gas-fired generation in this PD, then that procurement should be divided between PG&E and SCE such that the gas-fired generation percentages in their respective portfolios match each other. The PD notes that the ALJ ruling highlighted the need for this type of assessment of current contract positions and the PD should be revised to

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[44] CEC, Power Content Labels 2019, [last accessed June 8, 2021] see https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure/power-content-label/annual-power-content-0.

[45] *Ibid.*

[46] 2020 Assembly Bill (AB) 67 Report on Electric and Gas Utility Costs, (April 2020), p. 10, Table 1.9. Available at https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2020/2019%20AB%2067%20Report.pdf ., (SDG&E rate = 23.13 cents/kWh, SCE rate = 13.62 cents/kWh, PG&E rate = 16.30 cents/kWh. Thus the SCE calculation: 23.13 / 13.26 = 1.69 = 69% higher rates for SDG&E customers compared to SCE. The PG&E calculation: 23.13 / 16.30 = 1.41 = 41% higher rates for SDG&E customers compared to PG&E customers).

[47] Sacramento Municipal Utility District ("SMUD"), [last accessed on January 1, 2021] (The monthly residential bill at a 750 kWh usage level equals $257 for SDG&E customers and $124 for SMUD customers according to SMUD's calculations. 1-($257/$124) = 1.072 = 107% higher rates for SDG&E customers.), available at https://www.smud.org/en/Rate-Information/Compare-rates.

support the ALJ's recommendation that the Commission assess each utility's current gas-fired contract positions before deciding how any such generation and its concomitant costs are allocated.[48]

V. PCF REQUESTS THAT THE PD BE CORRECTED TO INCLUDE PCF'S CORRECT POSITION ON IMPORTS.

The PD stated that "PCF advocated for requiring pseudo-ties and also using the 'bid cap' proposal from resource adequacy to limit the amount of imports, similar to PG&E's proposal to limit the percentage of imports allowable."[49] This statement inaccurately describes PCF's position. PCF requests that the statement be corrected prior to the Commissioner's vote. The Energy Division's "bid cap" proposal that PCF referenced in comments on the ALJ Ruling caps the bid that out-of-state RA capacity providers can bid under must-offer scenarios.[50] The "bid cap" proposal does not limit the percentage of imports allowable.

Separately, PCF also recommended that the Commission only credit imports at 55% of their contracted capacity so that imports are credited in alignment with the import constraints assumed in the Energy Division's stack analysis.[51] The 55% proposal does not limit imports either, it simply reduces the total capacity counted compared to the contracted capacity in order to align the value of the imported capacity with the Energy Division's stack analysis.

VI. CONCLUSION

For the reasons stated above, the PD should (1) confirm the findings of the ELCC Study's high ELCC factors for renewables paired with storage, (2) eliminate new fossil fuel procurement and (3) should fairly allocate any new mandated procurement across LSEs.

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[48] PD, p. 48, ("The February 22, 2021 ALJ ruling proposed to improve upon that approach by taking into account the contract positions of individual LSEs relative to one another and to the overall procurement need identified. This would be done by calculating each LSE's load and resource balance for each year to determine their resource shortfall, if any, and then apportioning their responsibility for the overall procurement need based on that shortfall relative to that of the other LSEs.").

[49] PD, p. 33.

[50] R.20-05-003, The Protect Our Communities Foundation Comments On Administrative Law Judge's Ruling Seeking Feedback On Mid-Term Reliability Analysis And Proposed Procurement Requirements, (March 26, 2021), p. 20.

[51] *Id*, p. 29.

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APPENDIX A:

Protect Our Communities Foundation's Proposed Changes for Finding of Fact, Conclusions of Law and Ordering Paragraphs

Key:

Items requested to be removed from the PD are shown with a strike though. ~~Example.~~

Items requested to be added as new text are double underlined. Example.

Notes or labels are shown with italics. *Example.*

Finding of Fact: (requested changes)

Delete finding of fact 15, 16, 17.

Conclusions of Law: (requested changes)

Delete conclusion of law 14, 16, and 23.

Orders: (requested changes)

Delete order 5.