

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the Matter of Preparation of the *2011
Integrated Energy Policy Report (2011 IEPR)*

Docket No. 11-IEP-1G

Renewable Power in California: Status and Issues
Report Revised Executive Summary

**COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION ON THE *RENEWABLE
POWER IN CALIFORNIA: STATUS AND ISSUES* REPORT REVISED EXECUTIVE
SUMMARY**

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SUMMARY**

The Large-scale Solar Association (LSA) submits these comments on the *Renewable Power in California: Status and Issues* report (Renewable Power Report) revised executive summary (Revised Summary). We are pleased to see the addition of recommended strategies to the Renewable Power Report. Identifying priority strategies to help California achieve its renewable energy and climate goals is a necessary and critical step as the California Energy Commission (CEC) moves from this Report to developing a renewable energy strategic plan.

The list included in the Revised Summary, while an important first step, only addresses a subset of the challenges to renewable development identified in the larger Report. These comments address some of the strategies included in the Revised Summary, but first speak to the need to expand the list to address the many issues discussed in the Renewable Power Report. Of particular note, none of the strategies in the summary directly addresses transmission or interconnection issues. As one of the most critical elements of the state's renewables strategy, transmission and interconnection issues should be included on the list of strategies.

Our comments herein provide general thoughts on the strategies proposed, specific feedback on three of the proposed strategies, and a suggestion for an additional strategy.

GENERAL COMMENTS

While the list of recommended strategies includes many necessary items, the list does not seem to align well with the overall goal for the Renewable Power Report and the upcoming strategic plan. The strategic plan is intended to help provide a roadmap for California to meet its progressive renewable energy goals. As is commonly noted, the investor owned utilities' (IOUs) contract portfolio is quickly approaching 33%, with the renewables projects currently under development already beginning to serve a critical role in furthering the state's renewables portfolio standard (RPS) and climate goals. Additional attention from the CEC and other agencies is needed, for instance, to ensure that the expected timelines for transmission development are met and will allow generating projects to come online and serve California load in a reasonable and near-term time period.

Overall, the Renewable Power Report's strategies are mostly forward looking and do not address the challenges facing renewables projects that are currently in the development process. Understanding and articulating the transmission and interconnection challenges encountered by these early projects will help the permitting agencies and stakeholders to both identify and address the potential stumbling blocks that create project delays. While LSA recognizes that forward looking strategies are needed to address challenges that have been identified, we

also underscore the need for the strategies to include both continued attention to the ongoing renewable development portfolio and the necessary flexibility to address new challenges as they arise.

LSA also recommends that the state energy agencies begin holding quarterly joint agency meetings, open to stakeholders, to help facilitate monitoring the progress of new renewable energy projects and any necessary associated transmission lines; such meetings could allow for early identification of both the stumbling blocks that threaten the state's ability to meet its renewables goals in a timely fashion and any new ideas for improving the state's processes for facilitating renewable energy development going forward.

SPECIFIC COMMENTS ON THE RECOMMENDED STRATEGIES IN THE REVISED SUMMARY

Strategy 1 - Identify and prioritize geographic areas for renewable development

LSA supports this strategy with one additional step – in order to truly encourage siting in priority areas, state and local agencies working with stakeholders should determine an appropriate set of incentives for developers who choose to develop in these areas. Identifying priority areas is an important step, but demonstrating that those priority areas will provide significant benefits (a streamlined permitting process with more certainty) helps to ensure that those priority areas are, indeed, the most attractive for development. However, it is also important to recognize that there may be locations outside of the priority areas that are appropriate and suitable for development. It is critical that projects in such

locations be processed under the regular and known permitting framework. Any siting incentives provided in 'priority areas' should go above and beyond the business-as-usual permitting process. LSA looks forward to working with the CEC and other agencies as they consider the many options available to incentivize siting in these priority areas.

Strategy 2 - Evaluate the costs and benefits of renewable energy projects

LSA strongly supports the effort to quantify the value of the benefits of renewable energy. It is important that this analysis view and assess the value of renewable energy broadly in order to capture and quantify the range of benefits provided by achieving the state's RPS goals. Done correctly, this analysis will demonstrate the real value of renewables to ratepayers, consumers and decision makers.

In terms of the specific costs of renewables for integration, LSA notes that it will be important to distinguish between costs of renewables and broader system costs. Characterizing the different system costs is often a challenging undertaking - and determining how to allocate those costs, not only to renewables, but also to other resources on the system poses even greater challenges.

Strategy 3 - Develop a strategy to minimize integration needs

LSA supports this strategy. LSA has been actively engaged in the California Public Utilities Commission's (CPUC) Long-term Procurement Planning (LTPP) proceeding and the integration modeling efforts of the California Independent

System Operator Corporation (CAISO) in that proceeding. LSA also encourages this strategy to look at other market and policy changes (beyond the development of an energy imbalance market) that could reduce the need for and/or help address integration needs.

ADDITIONAL RECOMMENDED STRATEGY

As noted above, the recommended strategies do not address all of the issues and challenges identified in the Renewable Power Report. LSA requests that the Report include an additional strategy of increasing the coordination between the procurement and transmission/interconnection processes. The Renewable Power Report provides a summary of the projects currently in the interconnection queue, which contains over 67,000 MW of renewable projects. Many of the upgrades needed for later renewable projects assume the development of earlier projects in the queue, some of which may not come to fruition. To ensure that viable projects have access to needed transmission capacity, it is critical that there is better alignment between the procurement, transmission, and interconnection processes.

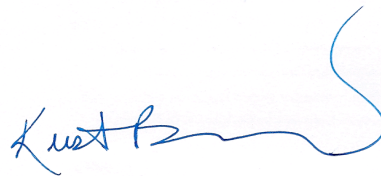
The CAISO is currently conducting a stakeholder initiative to integrate its transmission planning process and generator interconnection process; LSA is encouraging the CAISO and CPUC to work together to also include the procurement process in the integration effort. However, going forward, if the issue is not resolved, it could hinder the state's ability to meet its renewables goals in a timely manner. Thus, we urge the addition of a recommended strategy to better align interconnection and transmission planning with the procurement process.

CONCLUSION

LSA appreciates the opportunity to comment on the Revised Summary and the recommended strategies contained therein. We applaud the CEC staff's efforts on the Renewable Power Report and recognize the importance of this undertaking. We offer these comments in the spirit of working together with CEC staff and other stakeholders to ensure that we address the potential roadblocks to meeting California's RPS goals and develop appropriate policies for renewable siting, permitting, interconnection, transmission, and integration that will serve California as the state looks beyond 33%.

LSA looks forward to continuing work with the Commission as it develops the renewables strategic plan to ensure that renewable energy projects are developed efficiently, in an environmentally sound manner to meet California's renewable energy and greenhouse gas goals.

Respectfully submitted,



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