

**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)

**OPENING COMMENTS OF THE
CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL
ON PROPOSED DECISION REGARDING 2019-2020 ELECTRIC RESOURCE
PORTFOLIOS TO INFORM INTEGRATED RESOURCE PLANS AND
TRANSMISSION PLANNING**

Date: March 12, 2020

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I. INTRODUCTION

The California Efficiency + Demand Management Council (the “Council”) appreciates this opportunity to submit these Opening Comments on the Proposed Decision Regarding the 2019-2020 Electric Resource Portfolios to inform Integrated Resource Plans (IRPs) and Transmission Planning (“Proposed Decision” or “PD”) which was mailed on February 21, 2020 in Rulemaking (“R”) 16-02-007 (IRP). These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

II. THE BACKGROUND

The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.¹ Our member companies employ many thousands of Californians throughout the state. They include energy efficiency (“EE”), demand response (“DR”), and grid services technology providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of EE products and equipment. The Council’s mission is to support appropriate EE and DR policies,

¹ Additional information about the Council, including the organization’s current membership, Board of Directors, antitrust guidelines and code of ethics for its members, can be found at <http://www.cedmc.org>. The views expressed by the Council are not necessarily those of its individual members.

programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

III. THE COUNCIL'S COMMENTS ON THE PD

The Council has significant concerns regarding this PD's carbon reduction target of 46 MMT by 2030. We strongly recommend that the Commission adopt the 30 MMT carbon reduction scenario as part of this decision. These concerns are based on our understanding of past evidence suggesting that this target may actually be exceeded over time, thus putting into jeopardy California's ability to realize its important carbon reduction goals.² While we recognize that the proposed target of 46 MMT falls within the ranges outlined by the California Air Resources Board ("CARB"), we base our concerns on the evidence which suggests that the Commission's own modeling tools tend to under-predict greenhouse gas ("GHG") emissions compared to real-world emissions data which tend to be substantially higher.³ The Council wishes to emphasize not only that the proceeding record supports a lower MMT target, but that this PD is a key inflection point for choosing a least-risk path for making investments that achieve the state's goals by 2030. The timing of setting the appropriate target is critical, as the state is required to procure 100% clean energy by 2045. The 30 MMT target facilitates building and procuring resources on the most efficacious timeline to reach both the 2030 and 2045 goals.

The Council is also concerned that the 46 MMT target allows substantially more carbon-emitting electric generating resources versus a cleaner portfolio of resources that state policy and laws prioritize. For example, the Commission's 2012 Loading Order decision stipulates that energy efficiency and demand response resources must be given the highest priority in resource procurement.⁴ By allowing the 46 MMT target, the Commission is systematically ignoring the role that efficiency and demand management resources can play in California's clean carbon future. We believe that more supply-side demand response (DR) resources should be pursued by the Commission and that the current provision for shed DR under the 46 MMT scenario woefully under utilizes the potential of shed DR, particularly the types of DR that can be delivered by

² "Due to modeling shortcomings, the 46 MMT target would actually only reduce emissions to 51 MMT ...". California Environmental Justice Alliance, Environmental Defense Fund, Natural Resources Defense Council, Sierra Club, and Union of Concerned Scientists Notice of Ex Parte Communication submitted in R.16-02-007 on March 6, 2020, Attachment A, at p. A-1.

³ *Id.*

⁴ *See*, D.12-01-033 (Decision Approving Modified Bundled Procurement Plans) issued in R.10-05-006 (Long-Term Procurement Plans) on January 18, 2012.

third-party DR providers. We believe that the Commission should revisit its treatment of third-party DR resources in other proceedings including the Demand Response (R.13-09-011) and Resource Adequacy (R.17-09-020) proceedings. The Council stands ready to support the Commission's more aggressive pursuit of the DR resources.

IV. CONCLUSION

The Council appreciates the Commission's consideration of our Opening Comments regarding the IRP PD.

Dated: March 12, 2020

Respectfully submitted,

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