

## DOCKETED

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*Comment Received From: Alisa Moretto*

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## **Revised OCR Version of Submittal for 2016 IEPR Scoping**

Please accept Inland Empire Energy Center's comments in response to the Notice of Request for Public Comments on the Scoping Order for the Draft 2016 Integrated Energy Policy Report Update dated 02/19/2016.

Kind Regards,

Alisa Moretto

*Additional submitted attachment is included below.*



GE  
Capital

**Mark Mellana**  
General Manager, Inland Empire Energy Center  
800 Long Ridge Road  
40434260E  
Stamford, CT 06927  
USA

T 203 326-7355  
mark.mellana@ge.com

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Karen Douglas, Lead Commissioner  
California Energy Commission  
Dockets Office, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

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[http://www.energy.ca.gov/2016\\_energyqpolicy/](http://www.energy.ca.gov/2016_energyqpolicy/)

**Subject: Notice of Request for Public Comments on the Scoping Order for the Draft 2016 Integrated Energy Policy Report Update Docket No.16-IEPR-01**

Dear Commissioner Douglas:

We appreciate the opportunity to comment on the scope of the 2016 Integrated Energy Policy Report (IEPR) Update. California is a leader in advancing renewable portfolio standards for the electric grid and reducing greenhouse gases - the Inland Empire Energy Center (IEEC) is an existing 800 MW combined-cycle, gas-fired generation resource that uniquely supports these goals.

IEEC respectfully requests that during the planning and forecasting process for the 2016 IEPR Update, the Commission consider the interagency policy issues that are barriers to retrofitting existing combined-cycle electric generation with new upgrades that meet the CAISO tariff<sup>1</sup> requirements for flexible generation.

### **1. Natural Gas and Aliso Canyon Storage Facility Gas Leak Response**

Facilitating the upgrade of existing combined-cycle electric generation units is especially critical to ensure grid reliability in the Los Angeles Basin since new electric power plants require many years to permit and construct, and new sources must obtain scarce or unavailable air emission offsets. Upgrading natural gas-fired combined-cycle power plants located outside of the Aliso Canyon delivery area and in the Los Angeles Basin, may more efficiently support electric grid reliability and ensure a long-term solution to reliable natural gas and electric service in the Los Angeles Basin if natural gas storage at Aliso Canyon is not available.

Currently, existing electric generation natural gas facilities participate in annual Resource Adequacy contracts to ensure a reliable mix of coverage throughout the year. This annual contracting process

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<sup>1</sup> See Section 40.10.3 for flexible categories requirements (Base, Peak, Super Peak):  
[http://www.caiso.com/Documents/Section40\\_ResourceAdequacyDemonstrationForAllSchedulingCoordinators\\_asof\\_Jun3\\_2015.pdf](http://www.caiso.com/Documents/Section40_ResourceAdequacyDemonstrationForAllSchedulingCoordinators_asof_Jun3_2015.pdf)



does not provide the longer-term contracting opportunities that would support significant capital investment to retrofit existing combined-cycle electric generation to better serve the evolving California grid. Furthermore, long-term local capacity requirements (LCR) power procurement has historically been limited to new electric generation resources. We request that the IEPR planning process assess the benefits of removing those barriers to upgrading existing combined-cycle plants.

## **2. Environmental Performance of Electricity Generation System**

In addition, increasing the efficiency of existing combined-cycle generation by upgrading the units with state of the art technology improves the environmental performance of the electricity generation system and ensures that we are minimizing all emissions per kilowatt-hour, including minimizing greenhouse gas emissions. Meeting grid flexibility needs by improving the efficiency and flexibility of existing combined-cycle electric generation offers the State a number of environmental performance benefits that are consistent with goals of the IEPR and other State energy planning processes. Combined-cycle electric generation is proven to be more efficient than simple cycle peaking generation, and the latest technologies can provide the ramping and startup flexibility to integrate renewables. Moreover, upgrading existing natural gas-combined cycle electric generation can be completed in approximately one to two years contrasted with new combined-cycle units that typically take five or more years to permit and construct.

## **4. Electricity Forecast and Reliability Update**

As the Commission continues to work with the California Independent System Operator and the California Public Utilities Commission to understand potential impacts to the forecast from the traditional hour of peak demand being pushed later in the day by continuing behind-the-meter photovoltaic adoption and increasing electric vehicle charging, the Commissioners should fully consider the benefits of retrofitting the existing fleet of natural gas-fired combined-cycle units. Retrofitted, highly efficient combined-cycle electric generation are an important option to maintain resource adequacy and reliability in Southern California given challenges with the closure of the San Onofre Nuclear Generating Station and the State Water Resources Control Board's policy to phase out the use of once-through cooling in power plants, as well as the moratorium on gas injections into the Aliso Canyon Natural Gas Storage Facility.

We request that the interagency team expand the scope of their 2016 IEPR update to consider our resource and other existing natural gas-fired combined-cycle resources as potential solutions to the State's challenges to achieve low carbon goals by 2030 and maintain grid reliability.

Should you have any follow-up questions, please coordinate directly with Alisa Moretto at 951-226-4553.

Sincerely,

A handwritten signature in blue ink that reads "Mark Mellana" followed by a flourish.

Mark Mellana

General Manager

Inland Empire Energy Center, LLC