STATE OF CALIFORNIA — NATURAL RESOURCES AGENCY

EDMUND G. BROWN JR., *Governor*

CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

California Energy Commission
DOCKETED
14-IEP-1E
TN # 73503

In the matter of,	)	Docket No. 14-IEP-1E
	)	
2014 Integrated Energy Policy Report Update (2014 IEPR Update)	)	WORKSHOP
	)	RE: Electricity Infrastructure
	)	Reliability/Planning

Notice of Lead Commissioner Workshop on Southern California Electricity Reliability

The California Energy Commission Lead Commissioner on the Integrated Energy Policy Report (IEPR) will conduct a workshop, in conjunction with commissioners, board members, and executives of state and local energy and environmental agencies, to review efforts to ensure electricity reliability in Southern California resulting from the closure of the San Onofre Nuclear Generating Station (San Onofre) and impending retirement of several fossil generating units using once-through cooling (OTC) technologies. In addition to the Lead Commissioner, other members of the Energy Commission, and members and executives of the California Public Utilities Commission (CPUC), the California Air Resources Board (ARB), the State Water Resources Control Board (SWRCB), the California Independent System Operator (California ISO), and South Coast Air Quality Management District (SCAQMD) will also attend.

WEDNESDAY, AUGUST 20, 2014
10:00 AM
California NanoSystems Institute Auditorium
3200 CNSI Building
570 Westwood Plaza
University of California, Los Angeles
Los Angeles, California 90095
(Wheelchair Accessible)

For directions and parking, enter CNSI Auditorium in http://maps.ucla.edu/carnpus/
Parking Structure 8 is publicly accessible.

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Agenda

The purpose of this workshop is to receive presentations regarding the actions being taken by various agencies collaboratively implementing the Southern California Reliability Plan (Plan). The energy agencies can better carry out their responsibilities if efforts to assure reliability in Southern California are tracked and publicly vetted to the extent possible. The Energy Commission, CPUC and California ISO are each implementing portions of the multi-agency Plan. The environmental agencies may be requested to modify their specific compliance plans for existing facilities or revise permitting process for new power plants if resource development progress or unexpected changes in circumstances threaten reliability. The public will have an opportunity to understand how the energy and environmental agencies are seeking to assure reliability with least impact on the environment.

Background

Public Resources Code section 25301 directs the Energy Commission to regularly assess all aspects of energy demand and supply. These assessments provide the foundation for analysis and recommendations to the Governor, Legislature, and other agencies for energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. The Energy Commission has studied the issues of OTC impact mitigation, the constraints on fossil power plant development, the closure of San Onofre, and the potential role for preferred resources in each of the past several IEPRs.

The Energy Commission has stated its understanding of the need for dispatchable fossil resources to satisfy a portion of system needs despite ongoing efforts to meet the state's 33 percent renewable energy by 2020 mandate [*2009 IEPR* and the *2011 IEPR*]. Such resources are more likely to be required to satisfy local capacity requirements and integrate intermittent renewable generation than to simply meet annual electrical energy demand by end users. The closure of San Onofre in January 2012 and the decision by Southern California Edison to retire it in June 2013 was not anticipated when the SWRCB set the compliance schedule for several thousand megawatts of OTC facilities to satisfy state and federal statutes. The *2012 IEPR Update* highlighted the need for studies to address possible requirements for replacement energy and capacity as a result of the San Onofre outage and subsequent closure. The *2013 IEPR* identified a preliminary approach later proposed by the several energy and environmental agencies to address both the San Onofre closure and impending OTC retirements. It said,

> "Although a strong consensus exists among current Commissioners, Board Members, and agency executives to cooperate in pursuing resolution of the Southern California reliability concern, each organization is subject to its own decision-making processes within its own policy framework. Many of the measures in the preliminary staff plan are being pursued in these forums already, but what is adopted may not exactly match the preliminary plan. Assuring reliability while trying to preserve affordability and environmental stewardship for electricity services will require ongoing attention to coordinated planning,

procurement, and permitting actions needed to accomplish the plan. The Governor's Office will create a mechanism to track progress against the plan."

In D.14-03-004, the CPUC established a broad preference for preferred resource additions, but did not wholly use the technical analyses submitted by the California ISO regarding the need for resource additions. Instead, the CPUC relied, in part, on the positions submitted by numerous advocacy groups in the 2012 Long-Term Procurement Plan rulemaking. In its 2013-14 Transmission Planning Process (TPP), the California ISO Board approved additional transmission system upgrades beyond those previously approved in the 2012-13 TPP.

Since some actions taken after the Preliminary Southern California Reliability Plan discussed at the Energy Commission's *2013 IEPR* workshop held on September 9, 2013, do not completely conform to the plan, this workshop provides an opportunity for all of the agencies to collectively hear how each agency is pursuing its assigned responsibilities. The Energy Commission, CPUC, and California ISO are coordinating a four-pronged effort to monitor progress toward authorized amounts of resources, and if shortfalls are identified and cannot be remedied, have developed mitigation measures to assure reliability.

- The CPUC is responsible for tracking development of preferred resource additions and authorized generation development;
- The California ISO is responsible for tracking progress for transmission system upgrades; and
- The Energy Commission is responsible for tracking overall resource additions, as well as load trends, and developing mitigation measures that would be triggered if significant shortfalls are expected to occur.

ARB is lending its expertise in air quality issues to identify possible permitting issues associated with the responsibilities and practices of the two local air quality management districts where new power plants can be expected to be proposed – South Coast and San Diego.

Public Comment

Oral Comments. The IEPR Lead Commissioner will accept oral comments during the workshop. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

Written Comments. Written comments should be submitted to the Dockets Unit by **September 3, 2014**. Written comments will also be accepted at the workshop, however, the Energy Commission may not have time to review them before the conclusion of the workshop. All written comments will become part of the public record of this proceeding. Additionally, written comments may be posted to the Energy Commission's website for this proceeding.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format

such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket number 14-IEP-1E and indicate Electricity Infrastructure in the subject line. Send comments to **docket@energy.ca.gov** and copy the technical lead staff at Mike.Jaske@energy.ca.gov.

If you prefer, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 14-IEP-1E
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact Alana Mathews, Public Adviser, at (916) 654-4489 or toll free at (800) 822-6228, or by e-mail at PublicAdviser@energy.ca.gov.

If you have a disability and require assistance to participate, please contact Lou Quiroz at LQuiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at (916) 654-4989, or by e-mail at mediaoffice@energy.ca.gov.

If you have questions on the technical subject matter of this meeting, please call Mike Jaske at (916) 654-4777 or by e-mail at Mike.Jaske@energy.ca.gov. For general questions regarding the IEPR proceeding, please contact Heather Raitt, IEPR program manager, at (916) 654-4735 or by e-mail at Heather.Raitt@energy.ca.gov.

The service list for the *2014 IEPR Update* is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at www.energy.ca.gov/2014_energypolicy/index.html. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website at www.energy.ca.gov/listservers/index.html.

Remote Attendance

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If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

Availability of Documents

Documents and presentations for this meeting will be available online at: www.energy.ca.gov/2014_energypolicy/documents/index.html

Date: July 28, 2014

Janea A. Scott

JANEA A. SCOTT
Lead Commissioner
2014 Integrated Energy Policy Report Update

Mail Lists: energypolicy, electricity, naturalgas, altfuels