

July 20, 2012

California Energy Commission
Dockets Office, MS-4
Docket No. 09-RENEW EO-01
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Re: Comments on July 13, 2012 Energy Roundtable Discussion: Infrastructure Planning, Cost & Market Implications of the Desert Renewable Energy Conservation Plan (“DRECP”).

Dear Commissioner Douglas:

On behalf of the Center for Biological Diversity and the Sierra Club we would like to thank you for the opportunity to attend and provide comments on the Energy Roundtable Discussion: Infrastructure Planning, Cost & Market Implications of the DRECP on July 13, 2012 (the “Roundtable”). The DRECP is critical to balancing renewable energy development in California’s deserts with the protection of their unique and sensitive resources. We support development of the DRECP and our comments are intended to strengthen it and facilitate effective implementation.

We applaud the California Energy Commission (CEC) for convening the Roundtable, and bringing key decision-makers from the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), the California Independent System Operator (CAISO) together with representatives from investor-owned and public utilities, renewable energy developers and research institutions working on issues related to renewable energy. It is important that the planning for renewable energy infrastructure is addressed within the habitat planning for the DRECP, and it was refreshing to see the importance of this affirmed, not only by the CEC, but also by all those who participated in the Roundtable. It was inspiring to see the level of collaboration between decision-makers regarding generation and transmission planning, and to participate in this dialogue in a public forum. We hope to see this collaboration continue and that those who work on conservation issues related to the DRECP are included in this collaboration in the future as wildlife issues are key to facilitate proper infrastructure planning.

We have included below some initial reactions to the Roundtable. Please note that these comments are not exhaustive, and we would like the chance to address and expand these comments through subsequent meetings at which a wider range of interests is represented, including those who work on wildlife conservation issues within the DRECP

area as well as those who have been engaged on energy efficiency, energy storage , demand response and local distributed-generation issues, and the ways in which these affect infrastructure planning and renewables integration issues. The results of these subsequent meetings should be included into the DRECP integrated alternatives.

These comments incorporate and expand and all of our earlier comments provided to the DRECP, including comments to the CEC acreage calculator. Thank you for your consideration and for all of your hard work on these issues.

1. **Multiplier.** We were disconcerted to hear representatives of the renewable energy industry discussing a need to increase the multiplier to facilitate renewable energy development within the DRECP plan area. As the Sierra Club has noted in its comments on the CEC acreage calculator, and our groups have reiterated at many other points in the DRECP process, we think the amount of acreage allocated for the DFAs is already unduly high and already allows for significant flexibility in siting projects to avoid sensitive resources. As well, the amount of megawatts required from the DRECP area is based on high projections around future demand, and a lack of acknowledgement of the vast amount of potential renewable energy development outside of the DRECP area (including many projects already planned but not yet under construction as of December 2011). We found these comments particularly surprising in light of the presentation given by the National Renewable Energy Lab (“NREL”) regarding their Renewable Energy Futures Study Exploration of High Penetration Renewables report, which showed the vast amount of renewable resources, available within the west available to meet an 80% renewables target by 2050, and the relatively few barriers to accessing these resources, and we would request that this actual and potential development be considered within the DRECP alternatives.
2. **Incomplete discussion of Energy Mix.** We found the discussion regarding transmission and generation planning unduly focused on remote, large-scale renewable energy resources. Although we understand that the DRECP plans for these resources, it is necessary to acknowledge the transformative role that energy efficiency, demand response, energy storage and local distributed-generation will have on the nature of California’s energy mix within the term of the DRECP, and the resulting impacts to generation and transmission needs. Moreover, measuring large-scale generation resources against one other, without considering alternate technologies and methodologies creates an artificial paradigm. We encourage properly modeling the effects of these technologies and mechanisms, particularly energy efficiency, into any analysis of variable generation and infrastructure planning.
3. **Generation Planning.** We were encouraged by hearing participants acknowledge that the Least-Cost, Best-Fit (“LCBF”) methodology is inadequate. We strongly encourage the

CPUC and others to seriously consider revisiting LCBF, and revising it to evaluate and weight efficiency, biological and wildlife impacts and renewable intermittency. We would also hope the CPCUC incorporates these concerns when developing its scenarios, and in particular, that an environmentally constrained scenario be modeled that adequately incorporates the concerns raised by the conservation community during the DRECP process. Additionally, we request that the amount of renewable generation expected to be needed in California to meet 2040 carbon reduction goals be quantified using energy efficiency levels that are consistent with the state's leadership in this arena

4. **Energy Storage.** We were encouraged regarding the research and robust conversation around energy storage. However, focusing this discussion only on storage associated with CSP ignores how transformative other forms of energy storage will likely be during the term of the DRECP. Further, we did not understand the reluctance expressed by some participants regarding over-building energy storage, which appears contrary to California's goals of reducing natural gas facilities.
5. **Transmission.** We found the discussion about transmission, and the CAISOs interest in creating a more responsive and transparent transmission planning process, highly encouraging. We noted the CAISOs reiteration that it would not be possible to extend the current transmission planning process past a ten-year horizon—a statement that would seem to call into question the reasonableness of planning generation to 2040. We had concerns regarding the statements made by some panelists about the vast amount of new infrastructure that will be necessary to meet California's RPS goals, as we feel that over-building transmission will occur at great cost to California's ratepayers and natural resources. We request that transmission planning processes analyze and incorporate assumptions around the amount of existing inter-and intra-state transmission which will be freed up by the retirement of existing fossil-fuel fired resources, as well as the impacts that energy efficiency, energy storage, demand response and local distributed-generation will have on long-term transmission needs.

Again, we sincerely thank the CEC for facilitating this valuable and timely dialogue, and for the opportunity to provide comments. We look forward to continuing to support your valuable work in this arena as well as other aspects of the DRECP.

Sincerely,

Sarah K. Friedman, Senior Campaign Representative, Sierra Club

Ileene Anderson, Biologist/Public Lands Desert Director, Center for Biological Diversity