

AB 1318 Project Update

South Coast Air Basin Electric Reliability and Offset Needs Assessment

2013 Integrated Energy Policy Report
**Joint Workshop on Electricity Infrastructure Issues
Resulting from SONGS Closure**

Los Angeles
July 15, 2013



California Environmental Protection Agency

AIR RESOURCES BOARD

Today's Presentation

- ARB project overview, status update and process forward
- ISO summary of local capacity requirements and renewable integration studies
- LADWP summary of parallel studies for its balancing authority area

AB 1318 Directs ARB

(in consultation with: **ISO, CEC, CPUC, SWRCB, LADWP**)
to:

- 1) Determine capacity required in South Coast to meet long-term grid reliability
- 2) If additional fossil power is needed:
 - Estimate required offsets
 - Propose options for addressing required offsets (per SCAQMD rules)
- 3) Report findings to Governor and Legislature

Project Scope

- Determine capacity needs in LA Basin for grid reliability at 10-year horizon (2021/2022) under various 33% RPS scenarios and additional DSM programs to produce range of MWs (i.e., high and low bookends)
- Determine how much OTC capacity must be repowered to satisfy LCR standards
- Determine if additional fossil capacity is needed to meet flexibility/ramping needs of renewables
- Outline plan to close demand/supply offset gap

Activities to Date

- Nov. 2010: Held project kick-off meeting
- Jan. 2011: Released Draft Work Plan outlining project schedule and responsibilities
- Feb. 2011: Participated in Joint CEC-ARB workshop on offset challenges at SCAQMD
- June 2012: Participated in CEC IEPR workshop on electric infrastructure issues in CA
- 2011 to 2013: Ran power flow studies (with and w/o SONGS), translate study results into offset estimates, assemble Draft Report

Project Challenges

- High level of inter-agency coordination required
- Coordinating reliability studies between two BAAs
- Defining studies in context of major changes in electricity industry (OTC, 33% RPS, AB 32) that increase uncertainty for long-term horizon
- Splitting staff resources amongst several concurrent planning and policy forums
- Further delays due to need to examine SONGS outage/retirement

Assessment Status

- All power flow reliability analyses complete
 - 5 studies to identify local generation needs in LA Basin portion of ISO BAA with SONGS online (2021)
 - 3 studies to identify local generation needs in LA Basin/San Diego portions of ISO BAA with SONGS retired (2022)
 - 3 studies to identify additional ISO system-wide generation need for renewable integration
 - 2 studies to identify local generation needs in LADWP BAA (2021)
- Internal multi-agency review of Draft Report in progress now

Tentative Schedule

Project Milestone	Target Timeframe
Issue public notice and release Draft Final Report for public review	Early August 2013
Public workshop in S. CA on complete study results and offset projections	Mid-August 2013
Final Report to Governor's Office and Legislature	September 2013

Where to Get Information

- Check project website:
<http://www.arb.ca.gov/energy/esr-sc/esr-sc.htm>
- Subscribe to project list serve:
<http://www.arb.ca.gov/energy/esr-sc/esr-sc.htm>
- Review Draft Final Report (to post to project website with notification via list serve)
- Attend upcoming public workshop

Questions?