

August 19, 2014



California Energy Commission
Docket Office, MS-4
Re: Docket No. 14-IEP-1C
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.state.ca.gov

Re: *Southern California Edison Company's Comments on the California Energy Commission Docket No. 14-IEP-1C: Incorporating Land Use and Environmental Considerations in Energy Infrastructure Planning*

Dear Commissioner Scott:

As part of the IEPR Update process, on August 5, 2014, the California Energy Commission (Energy Commission) held a Lead Commissioner Workshop on Incorporating Land Use and Environmental Considerations in Energy Infrastructure Planning ("the Workshop"). Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments.

SCE supports the Energy Commission's efforts to more effectively incorporate land-use and environmental considerations into energy infrastructure planning processes, including transmission planning and energy resource procurement. SCE recommends that the Energy Commission utilize a balanced approach for energy infrastructure planning that incorporates reputable environmental science and technologies as early as possible in planning processes. Such an approach will lead to more informed decision-making and guide the siting of renewable resources—and the electrical upgrades needed to support them—to viable and less environmentally sensitive areas. In addition, a strong coordinated effort among the Energy Commission, California Public Utilities Commission (CPUC), State Resource Agencies and the California Independent System Operator (CAISO) is necessary to ensure such success. Although the Desert Renewable Energy Conservation Plan (DRECP) serves as a good model, efforts should be expanded throughout California to provide greater opportunities and flexibility for planning beyond the California desert.

A. Long Term Energy Infrastructure Planning Should Be a Coordinated Effort that is Informed by Environmental Science and Technology

Long term energy infrastructure planning should be performed using a balanced approach that considers environmental science, as well as the factors already incorporated in the Project

Viability Calculator. Employing such an approach will provide valuable information earlier on in resource planning and procurement processes.

During the Workshop, SCE's roundtable panel representatives agreed that science-based, environmental datasets and maps— like those presented in the Data Basin Gateway presentation— should inform transmission planning and energy procurement decisions. For instance, tools that utilize software like Google Earth and depict details in landscapes and geography are more useful than many of the tools that are currently being used by utilities for their transmission and generation interconnection studies. SCE hopes to use these tools, which are being made publicly available, to inform its studies when evaluating projects. SCE recommends greater state agency coordination on planning processes to support SCE's efforts and the effective use of such technology on a broader scale.

In addition, utilizing landscape-scale environmental information and tools in the initial planning and development phases may enhance stakeholders' understanding of important environmental considerations and reduce their expenditure of time and resources during the later permitting and implementation stages. Such information and tools may also provide agencies, retail sellers, developers and other stakeholders about the potential viability of those projects before they begin seeking permits and power purchase agreements (PPAs). Similarly, such information and tools could avoid development delays by guiding developers to geographic locations that have lower risk of project failure.

B. State Agency Coordination and Consistency is Essential to Future Renewable Energy Planning Activities

Interagency coordination and consistency among the Energy Commission, CPUC, and CAISO, as well as California's Natural Resource Agencies, is essential to ensure that environmental information is effectively incorporated into energy infrastructure planning processes. The DRECP is an encouraging coordinated effort that should be expanded and serve as a model and regulatory framework for informing future investment in renewable energy and related infrastructure and for protecting and conserving California's environmental resources.

C. Uniform Eligibility Requirements and Environmental Criteria Should Inform the Procurement Selection Process

To meet California's progressive energy and climate goals and enlarge the pool of viable projects, SCE supports including uniform eligibility requirements and environmental criteria in the procurement selection process. As noted in the Workshop roundtable, SCE is doing so in its own procurement processes. For example, in SCE's 2013 Renewables Portfolio Standard (RPS) Procurement, SCE proposed and the CPUC agreed that eligible projects must have a Phase II Interconnection Study (or an equivalent or better process or exemption) in order to submit a proposal in the 2013 RPS solicitation. The CPUC found that imposing this eligibility requirement is "a reasonable approach to minimize project failure risk."¹ Because SCE expects the eligibility requirement will produce a larger pool of viable projects, SCE plans to continue it

¹ See CPUC Decision 13-11-024 at p. 30.

in the 2014 RPS solicitation. To further support the selection of the most viable projects, environmental criteria should also inform SCE's qualitative review of the valuation and negotiation process.

SCE believes that any adjustments to eligibility requirements and environmental criteria should be consistent, fair, and capable of being uniformly applied across the entire pool of bidders. Failure to develop such a process and procedure could unnecessarily limit the market of potential projects. Limiting the market pool may significantly increase the cost of projects bidding into the solicitation and those costs will ultimately be passed onto customers.

D. The Coordinated DRECP Effort Should be Expanded

As discussed during the Workshop, transmission planning efforts have identified upgrades and additions that are necessary to meet California's renewable energy targets. SCE has invested approximately \$6 billion in nearly 12,000 MW of new and expanded transmission capacity throughout its service territory to, in part, support renewable energy development. Uncertainty and challenges nevertheless remain, particularly with regard to permitting and siting renewable energy projects and associated infrastructure – two areas that the DRECP seeks to address.

For instance, as noted during the Workshop, SCE actively participated in the Transmission Technical Group (TTG) that evaluated the electrical infrastructure components needed to support renewable development in the DRECP. Through that effort, SCE learned that a significant amount of the transmission infrastructure necessary to support the DRECP must be constructed beyond the boundaries of the DRECP for import and export purposes. SCE therefore recommends that, as part of the IEPR's efforts to adopt a strategic plan for the state's electric transmission grid, the Energy Commission should prioritize the designation of transmission corridors. In order to facilitate transmission network upgrades and additions that safely and reliably support renewable resource development within the DRECP and throughout the state of California, such corridors should be seamless, continuous, and strategically sized. Designated corridors should include sufficient right-of-ways to support network upgrades and additions over public and private lands, and should be held from other uses in accordance with DRECP planning horizons.

In conclusion, SCE appreciates the Energy Commission's consideration of these comments and looks forward to its continuing collaboration with the Energy Commission. Please do not hesitate to contact me at (916) 441-2369 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez