

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION****NOTICE OF STAFF WORKSHOP****EVALUATING THE COST OF INTEGRATING RENEWABLES**

The staff of the California Energy Commission will hold a workshop:

TUESDAY, APRIL 29, 2003

Beginning at 9:30 a.m.

~~CALIFORNIA ENERGY COMMISSION~~~~1516 Ninth Street~~ 901 P Street

Hearing Room A

Sacramento, California

(Wheelchair Accessible)

The Energy Commission staff seeks input from interested parties on the methods to evaluate the costs associated with integrating eligible renewable energy resources into the electrical network to help meet California's Renewables Portfolio Standard (RPS). The RPS was established by Senate Bill 1078 (SB 1078, Sher, Chapter 516, Statutes of 2002). In addition, this effort will provide information for the Energy Commission in carrying out its responsibilities under the Renewable Energy Program, which was established by Senate Bill 1038 (SB 1038, Sher, Chapter 515, Statutes of 2002). Although a staff workshop, Commissioners and/or their advisers may attend.

Background

As mandated by California state legislation, renewable generation projects will compete to fulfill the state's RPS through a "least-cost, best-fit" bid selection process. This process must consider indirect costs, which can be broken down into transmission investments and integration costs. The Energy Commission is supporting a multi-phase study to define and quantify integration costs. The first phase of the effort will review the integration costs of existing renewable generators. The second phase will evaluate the effects of generation technology, geography, climate, and level of grid penetration. The third phase will develop a standardized methodology for calculating integration costs as part of the bid selection process.

Two proposed methods have been developed for the first phase of the study, which are a critical foundation for subsequent phases of the study and final methods. These may ultimately be incorporated into the RPS bid selection process. The methods will be presented for public comment, which will be considered and incorporated before proceeding further with this phase and the following phases of the integration cost study.

Written Comments

Attachment A to this notice provides an agenda for the workshop and a list of questions to be covered at the workshop.

The RPS Integration Study Methods Group will use comments and recommendations obtained from this workshop to guide the analysis of integration costs for eligible renewable energy sources.

The Energy Commission encourages members of the public to submit written comments.

California Energy Commission
Attn: Cost of Integrating Renewables
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Sacramento, CA 95814-5512

jmccabe@energy.state.ca.us (include in subject line: Integrating Renewables)

Public Participation

The Energy Commission's Public Adviser provides assistance to the public regarding Energy Commission procedures and participation in Energy Commission activities. Anyone wishing to obtain information on how to participate in this meeting may reach the Public Adviser's Office by phone at (916) 654-4489, toll free at (800) 822-6228, or by e-mail at [pao@energy.state.ca.us]. If you have a disability and need assistance to participate in this workshop, please contact Lou Quiroz at (916) 654-5146 or by e-mail at [lquiroz@energy.state.ca.us]. Technical questions regarding the subject matter of this notice may be addressed to George Simons at (916) 654-4659 or by e-mail at [gsimons@energy.state.ca.us]. News media should direct inquiries to Assistant Director Claudia Chandler at (916) 654-4989 or by e-mail at [energia@energy.ca.gov].

Date:

**STATE OF CALIFORNIA ENERGY
RESOURCES CONSERVATION AND
DEVELOPMENT COMMISSION**

Date Mailed:

Mass Mail List: Master 63/New

Attachment A - RPS Integration Study Methodology

Workshop Agenda

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| 9:30 – 10:00 | Introduction and Background |
| 10:00 – 10:30 | Regulation and Load Following Analysis Methodology, Method 1 |
| 10:30 – 10:45 | Questions About Method 1 |
| 10:45 – 11:00 | Break |
| 11:00 – 11:30 | Regulation and Load Following Analysis Methodology, Method 2 |
| 11:30 – 11:45 | Questions About Method 2 |
| 11:45 – 1:15 | Lunch Break |
| 1:15 – 1:45 | Capacity Credit Analysis Methodology |
| 1:45 – 2:00 | Questions About Capacity Credit Analysis |
| 2:00 – 2:15 | Break |
| 2:15 – 4:00 | Open Discussion of Integration Analysis Methodology |

Attachment A - RPS Integration Study Methodology (Continued)

Topics

The staff asks interested parties to provide information on the eight following topics:

- 1) What constitutes an appropriate methodology for calculating the costs of integrating eligible renewable energy resources into the California electrical grid?
- 2) What is the best method to assess costs of integration for renewable resources?
- 3) How should regulation and load following (supplemental energy) costs be evaluated?
- 4) What methodology should be used to allocate regulation and load following (supplemental energy) costs to each generator?
- 5) What is the appropriate methodology for calculating capacity credit for intermittent renewable resources?
- 6) What are the technology-specific issues associated with the cost of integrating and operating the respective eligible renewable energy resources?
- 7) What are the geographical or climatological issues associated with the cost of integrating and operating the respective eligible renewable energy resources?
- 8) What issues are important for assuring stability and reliability of the grid with increased penetration of renewable capacity?