Presentation to the State Water Resources Control Board on Item 5

Ed Randolph
Deputy Executive Director for Energy and Climate Policy / Director, Energy Division
California Public Utilities Commission
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Overview of Comments

• CPUC is one of seven organizations represented on the SACCWIS.
  • This presentation is on behalf of the CPUC, not the SACCWIS.

• Speaking to Section 5 of the Draft Staff Report (System-Wide Grid Reliability Compliance Date Extensions).

• Support Water Board staff’s preferred approach, as discussed in staff presentation.

• Extensions are in the public interest and are necessary to “bridge the gap” until new resources are online.
SACCWIS Recommendation

- Extend Alamitos Units 3, 4, and 5 for 3 years.
- Extend Huntington Beach Unit 2 for 3 years.
- Extend Ormond Beach Units 1 and 2 for 3 years.
- Extend Redondo Beach Units 5, 6, and 8 for 1 year.
May 27, 2020 Joint Letter

- Continue to support analysis behind SACCWIS recommendation.
- OTC extensions are an insurance policy in case of delays in procurement.
- COVID-19 at least exacerbates existing uncertainty that led to the CPUC and SACCWIS recommendations.
- Low capacity factors do not indicate lack of need for OTC generators.

Additional Considerations

- Energy agencies are committed to retiring the OTC generators.
- CPUC has identified potential delays in online dates for a small number of projects.
- Energy agencies will continue to monitor and may request further extension of resources retiring at the end of 2021, if absolutely necessary.
OTC Operation

• Low capacity factors do not mean OTCs are not needed.

• OTC generators dispatched during the few times each year when demand is extremely high and there are limited other options to maintain grid reliability.

• OTC generators tend to operate at similar times or simultaneously.
  • In peak hours during recent heat wave, all OTCs were needed to serve load.

• One OTC generator cannot simply “ramp up” to replace others.
Availability of Supply

The chart illustrates the availability of supply from various energy sources for the years 2020 to 2030. The bars represent different energy types, including Thermal, Biomass/Biogas, Wind, Water, Uranium, Geothermal, Sun, Limited Energy Storage Resource, Demand Response, and Capacity Directed by D.19-11-016. The red line indicates the system RA requirement.