



April 4, 2022

Rajinder Sahota
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California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted online

Subject: American Clean Power – California Comments on 2022 Scoping Plan Update - Initial Modeling Results Workshop

Dear Ms. Sahota,

American Clean Power-California (“ACP-California”) appreciates the opportunity to participate in the Scoping Plan process and respectfully provides these comments on the 2022 Scoping Plan Update – Initial Modeling Results Workshop. ACP-California is the voice of clean energy developers from across the power sector that are providing utility-scale clean capacity and transmission while creating jobs, spurring massive investment in the American economy, and driving high tech innovation across the United States. ACP-California’s mission is to transform the U.S. power grid to a low-cost, reliable, and renewable power system.

On behalf of our coalition of developers, owners, and operators of utility-scale solar, storage, land-based wind, offshore wind, and transmission, we applaud you and the California Air Resources Board (“CARB” or “the ARB”) staff for your leadership in tackling climate change through a robust and transparent 2022 Scoping Plan process that is inclusive of all stakeholders. These comments offer the following recommendations on the model:

1. The Scoping Plan should provide direction on greenhouse gas (“GHG”) reduction planning targets for use in the Integrated Resource Planning (“IRP”) process beyond 2030.
2. Each of the scenarios identify increases in load and rely on new clean capacity resources like wind, solar and storage to meet these needs.

The Scoping Plan should explicitly acknowledge hurdles to new clean energy development, such as transmission development, that must be resolved to realize the electrification targets in each of the alternatives.

Discussion

1. The ARB Should Provide Updated IRP GHG Targets as Early as Possible in the California Public Utilities Commission's 2022-2023 IRP Cycle.

ACP-California appreciates CARB's efforts to develop modeling scenarios that illustrate the effectiveness of deploying different technologies in achieving California's climate goals. The IRP is a critical component of state policy that will determine the success of these GHG strategies. The ARB's role in the IRP process was established in SB 350, as well as other existing statutes establishing CARB's authority over GHG emission reductions. Section 9621 of the Public Utilities Code specifically contemplates ARB developing IRP GHG targets needed to meet the SB 32 target of 40% reductions below 1990 emissions levels by 2030. CARB staff originally developed these targets, as published in a staff report, intended to inform the IRP in July 2018 and released a 2020 update in March of 2021.¹

Timely updates to these GHG planning targets are critical to ensuring the most recent Scoping Plan modeling are reflected in the IRP process. There is some question as to the timeline for the 2023 update as referenced in the 2020 target update, which states "[b]y 2023, CARB will update the 2030 GHG planning targets for POUs subject to CEC's IRP process..."² ACP-California therefore offers these comments on the important role of the 2022 Scoping Plan Update in informing the IRP and would like to emphasize the importance of having the IRP GHG targets updated and released as soon as possible during the 2022-2023 IRP cycle.

State law clearly establishes the ARB as the State's authority on greenhouse gas

¹ CARB Staff Report: SB 350 IRP Electricity Sector GHG Planning Targets, available at: <https://ww2.arb.ca.gov/sites/default/files/2020-06/sb350-full-report-2018.pdf>.

² *Id.*, at p. 2.

emission. State law makes the ARB responsible for informing and, in many cases, directing all GHG programs.³ As noted above, the clean energy developers will play a critical role in fulfilling the electrification targets contemplated in the Scoping Plan. The modeling shows “Electric loads increase by 30-80% relative to today by 2035 and 60-90% by 2045.”⁴ For much of this load increase, the California Public Utilities Commission’s (“CPUC”) IRP process and the resulting procurement by load serving entities will determine whether there will be sufficient clean energy resources to supply this load. In this way, the IRP and the Scoping Plan processes are integrally linked, and the ARB must use its work in the Scoping Plan to continually inform the IRP process, as contemplated by the Legislature.

While SB 350 set hard deadlines to meet by January 1, 2030, we believe the ARB’s authority is not constricted to planning to 2030 since the intent of SB 350 was open ended by including “2030 *and beyond*” in the intent portion of the legislation. By leaving out specific deadlines past 2030, the legislature allowed the ARB time to re-assess and set new goals in line with the technology curve in the energy industry. Embracing the granted authority to establish GHG emission reduction targets in the IRP beyond 2030 and providing clear guidance on new IRP GHG targets to the CPUC is key to making the 2022-2023 IRP Cycle a success.

2. The Scoping Plan Should Acknowledge the Development Hurdles that Must Be Resolved to Realize the Clean Energy Projections for Each of the Alternatives and Signal the Need for Strong State Leadership in Planning Now for Longer Lead Time Resources.

Under all four alternatives, there is a need to accelerate the development of clean energy projects compared to historic build-out rates. In narrowing the alternatives, the ARB should

³ Health and Safety Code section 38510: “The State Air Resources Board is the state agency charged with monitoring and regulating sources of emissions of greenhouse gases that cause global warming in order to reduce emissions of greenhouse gases.”

⁴ CARB Draft Scoping Plan: AB32 Source Emissions Initial Modeling Results presentation, March 15, 2022, available at: <https://ww2.arb.ca.gov/sites/default/files/2022-03/SP22-Model-Results-E3-ppt.pdf>.

focus on scenarios that are reasonably achievable and will provide a sufficient development horizon for a diverse set of clean capacity resources at a reasonable cost.

A diverse mix of clean energy resources with complementary generation profiles will provide the best opportunity to minimize the overall cost associated with the clean energy build-out. For example, wind resources in the Intermountain West typically peak in a different time zone, making them particularly valuable during the “net-peak” period for energy demand (i.e., 4-9 PM). Offshore wind’s generation profile also aligns well during this critical “net-peak” period, as well as expectations for electric vehicle charging. New transmission development and greater integration with energy markets throughout the west (e.g., the Enhanced Day-Ahead Market initiative underway at the California Independent System Operator) will help the state access a broader pool of cost-effective resources and minimize the costs associated with aggressive electrification goals. All of these resources and market developments will require strong state leadership and an acknowledgement of and plan to resolve barriers to development.

In discussing and evaluating the electrification assumptions in each of the alternatives, the ARB should explicitly discuss the constraints on building supply-side resources and identify where state leadership will be needed to realize a diverse portfolio of clean energy resources. Planning and taking action to develop these resources now is one area where state leadership is needed. The ARB should also acknowledge the need to invest now in long-lead time resources such as offshore-wind and new transmission. It is essential to plan far in advance and order projects and transmission be built 10-15 years in advance of the date they will come online. Whether the Scoping Plan ultimately focuses on a 2035 or a 2045 GHG target, planning and state leadership to resolve development hurdles must be undertaken now.

ACP-California believes transmission development is a key barrier to new clean energy

development. We remain concerned based on recent experiences of developers experiencing multi-year delays in new clean energy projects, that there is a need for more comprehensive transmission planning, as well as near term execution on transmission projects.

Conclusion

Clean energy projects, transmission development and broader access to regional energy markets are all necessary to facilitate the state's vision for carbon-neutrality. The ARB should discuss the critical inter-relationship of the Scoping Plan modeling and establishment of up-to-date GHG targets in the IRP process. The ARB should also discuss the value of diversity in clean energy resources and the potential to minimize costs through resource diversity and access to broader, regional markets. Finally, the 2022 Scoping Plan Update should address the need for strong state leadership in realizing its ambitious clean energy expansion plans, particularly in planning and taking action on longer-lead time resources like offshore-wind and new transmission development.

ACP-California appreciates this opportunity to comment on the 2022 Scoping Plan Update initial modeling results workshop and looks forward to reviewing and commenting on the Draft Scoping Plan later this year.

Sincerely,

/s/

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