

Western Notice of Request for Comments on IRP Process Revisions

Comments of the Sacramento Municipal Utility District

7/29/11

General

In general, SMUD supports the proposed changes to Western's IRP Policy. Leaving the resource evaluation criteria more general, as Western has done, will provide Western with the maximum flexibility for any specific long-term resource procurement. Below, SMUD provides some comments and suggested changes.

Transmission

SMUD agrees with Western that the existing stakeholder involvement in planning efforts by regional and sub-regional planning entities and its Open Access Transmission Tariff (OATT) can render duplicative requirements set forth in the Final Principles of IRP redundant and unnecessary. SMUD also recognizes significant value in coordinating resource and transmission planning efforts and supports removing transmission planning requirements from the Integrated Resource Planning process to the extent essential coordination between transmission and resource planning efforts and processes can be maintained.

Section 5, Resource Evaluation Criteria

The proposed process language is silent on how the evaluation criteria would be used for any specific resource procurement need. For instance, we assume that each of the criteria could have different weightings, such weightings being contingent on the specifics of procurement need. SMUD proposes revising the Section 5 introductory statement to read:

"5. When evaluating potential resource acquisitions under the Final Principles of Integrated Resource Plan, the following criteria will be considered, and given weightings based upon the specific resource acquisition being considered:"

Section 5 e, Environmental Impact

What is Western intending by this criterion? All generation projects have to provide some level of mitigation for their environmental impacts in order to get permitted to construct and operate. Is Western required by law to have this criterion in resource evaluations? If not, SMUD proposes that perhaps this criteria could be deleted in favor of those identified in criterion 5g. (See our comments on Section 5 g criterion).

Western Notice of Request for Comments on IRP Process Revisions

Comments of the Sacramento Municipal Utility District

7/29/11

Section 5 g, Renewable Energy Resource

For this criterion, SMUD suggests that Western would have greater flexibility if this were titled "Environmental/Green Attributes (Including Renewables)". An environmental attribute is the positive characteristic of a generation technology that allows it to avoid certain negative environmental impacts. For instance, hydro power avoids the emissions of CO₂ because the "fuel" is not combusted. As such, its environmental attribute includes carbon neutrality. The context of this criterion in a long-term resource decision would be to answer the question, "Does the replacement resource being procured have comparable environmental attributes to what is required?" For example, if a long term resource is being procured to replace large hydro energy lost to a project derate, is the replacement energy required to be renewable or just carbon neutral?

A renewable resource falls within the larger set of "green" resources. A renewable resource has "green" attributes, and it specifically fulfills certain criteria set by a regulatory mandate such that it qualifies to meet a renewable portfolio obligation. For instance, large hydro does not qualify as renewable under California's renewable portfolio standard, even though hydro of all sizes comes from a renewable "fuel." Therefore, large hydro may not get any credit under criteria proposed in this section if it were procured for Western's California customers.

Section 5i, Transmission Availability

SMUD suggests that this section might be more appropriately titled "Deliverability." Deliverability encompasses transmission availability, but in addition covers any other delivery-related issues. Defining this criterion as "Deliverability" would give more flexibility to Western in long term resource procurement decisions.

In the context of transmission, is Western envisioning that this was intended only to assess whether existing transmission would be available to deliver a resource, or a broader assessment that would include the difficulty/cost of constructing new transmission to facilitate delivery of the resource in a timely manner?

Western Notice of Request for Comments on IRP Process Revisions

Comments of the Sacramento Municipal Utility District

7/29/11