



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

G-2

For the meeting of: May 10, 2016

Date: May 2, 2016
To: Board of Supervisors
From: Supervisor Rex Bohn
Subject: Consider Signing on to Coalition Letter to the CPUC Regarding Baseload and Flexible Generation Power

RECOMMENDATION(S): That the Board of Supervisors sign on to the Coalition letter to CPUC regarding Baseload and Flexible Generation Power.

SOURCE OF FUNDING: N/A

DISCUSSION: The Board of Supervisors is being asked to consider signing on to a coalition letter to the CPUC regarding baseload and flexible generation power to ensure that renewables provide a significant portion of the renewable power needed to meet California's 50 percent Renewable Portfolio Standard (RPS). Numerous studies have found that diversifying California's renewable portfolio will save ratepayers money and provide greater system reliability.

FINANCIAL IMPACT: N/A

OTHER AGENCY INVOLVEMENT: N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS: Board discretion.

ATTACHMENTS: Proposed Coalition Letter.

Prepared by Kathy Hayes

Signature

[Handwritten signature]

REVIEW:

Auditor County Counsel Personnel Risk Manager Other

TYPE OF ITEM:

- Consent
Departmental
Public Hearing
XX Other Board Initiated (10 min)

PREVIOUS ACTION/REFERRAL:

Board Order No.

Meeting of:

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Bass Seconded by Supervisor Fennell

Ayes Sundberg, Fennell, Lovelace, Bohn, Bass

- Nays
Abstain
Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: May 10, 2016

By: [Handwritten signature]
Kathy Hayes, Clerk of the Board

May XX, 2016

The Honorable Carla Peterman, Commissioner
The Honorable Anne Simon, Administrative Law Judge
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Importance of Baseload and Flexible Generation Power to Reach a 50 Percent Renewables Portfolio Standard (SB 350, DeLeon)

Dear Commissioner Peterman and Judge Simon:

We, the undersigned County representatives, are writing to urge the Commission to ensure that baseload and flexible generation renewables provide a significant portion of the renewable power needed to meet California's 50 percent RPS. Many studies have found that diversifying California's renewables portfolio as it moves beyond 33 percent will save ratepayers money and provide greater system reliability. Increasing baseload and flexible generation renewables will provide many other benefits to ratepayers and the general public that we urge the Commission to consider as it develops the policies to go from 33 to 50 percent renewables.

1. A 50 Percent RPS Requires Greater Resource Diversity.

Numerous studies over the past few years have made clear that California needs to diversify its renewables portfolio as it goes beyond 33 percent.¹ As the Commission's own analysis has shown, integration of intermittent renewables into the grid requires significant additional costs, including backup generation, costs to stabilize the grid and more. The costs of integrating solar and wind will only increase as increasing amounts will have to be curtailed. A recent study by Energy and Environmental Economics (E3) made clear that increasing the diversity of California's renewables portfolio will reduce curtailment and provide the lowest cost option to achieve a 50 percent RPS.²

¹ See, ie, National Renewable Energy Labs, *Renewable Energy Futures*, available at: http://www.nrel.gov/analysis/re_futures/; Energy and Environmental Economics, *Investigating a Higher Renewables Portfolio Standard in California*, January 2014; Union of Concerned Scientists: *Achieving 50 Percent Renewable Electricity in California*, 2015. Available at: <http://www.ucsusa.org/sites/default/files/attach/2015/08/Achieving-50-Percent-Renewable-Electricity-In-California.pdf>.

² Id, Table 5, page 22.

The National Renewable Energy Labs (NREL) reached the same conclusion when it considered the feasibility of the United States moving to 80 percent renewables by mid-century. Like E3, NREL found that an 80 percent RPS is feasible, but only if we significantly increase the production of baseload and flexible generation renewables.³

2. Baseload and Flexible Generation Resources Provide Many Additional Ratepayer and Public Benefits.

In addition to providing many benefits to the grid, baseload and flexible generation renewables provide many important benefits to ratepayers and the public. These benefits are particularly important in rural counties, which are some of the most economically disadvantaged in the state.

a) Geothermal Power

Geothermal power is concentrated in Imperial, Lake and Sonoma Counties where it is an important part of the local economies. In Imperial and Lake Counties, geothermal provides the largest source of property taxes and is one of the largest sources in Sonoma County as well. Geothermal power also provides XX jobs in California. Finally, increasing geothermal capacity in Imperial County is a critical piece of the Salton Sea restoration plan, which will protect air quality and critical wildlife habitat in Imperial and Riverside Counties.

b) Biomass

Increasing biomass power generation is critical to address the tree mortality crisis in many parts of the state. As the Governor's Emergency Proclamation makes clear, this crisis is a threat to public safety and important infrastructure, including utility infrastructure. CalFire and the Sierra Nevada Conservancy have also made clear that this is a long-term crisis and that forest biomass power is an important piece of the solution as it is the most beneficial end-use of the forest biomass that must be removed to address the Governor's Emergency Proclamation.

In addition to protecting public safety – which is the Commission's highest responsibility - forest biomass helps to protect utility infrastructure which is increasingly vulnerable to wildfire. The Valley Fire alone caused more than \$150 million in damages to utility infrastructure in Lake and Sonoma Counties. The Rim Fire and other catastrophic fires have also caused tens of millions of dollars in damage to utility infrastructure. Future fires may also threaten reservoirs and hydropower facilities.

Wildfire is also a major source of air pollution, black carbon and greenhouse gas emissions, impacts on water quality and supply and serious impacts on our local economies. Increasing forest biomass is a critical tool to protect our local communities.

³ NREL, footnote 1, above.

c) Biogas

Biogas can provide the greatest benefits to the grid because it can be used to provide flexible generation power, peak power and even energy storage. In addition, increasing biogas production can address the largest sources of methane in the state, which are dairy waste, landfills, wastewater and other organic waste. Increasing biogas production from organic waste can also help our counties to meet the state's landfill diversion goals and reduce open field burning of agricultural waste. According to the California Air Resources Board, biogas generated from organic waste is also the only fuel that is actually carbon negative because it reduces Short-Lived Climate Pollutants (the most potent climate pollutants) and greenhouse gas emissions from fossil fuel burning.

3. Need Specific Policies to Promote Baseload and Flexible Generation Power.

We urge the Commission to adopt specific policies to increase baseload and flexible generation power. Those policies should include:

- A specific requirement or portfolio standard for baseload and flexible generation that ensures that these resources provide at least 3,500 additional megawatts of baseload and flexible generation. This could be similar to the energy storage portfolio standard to ensure that a variety of baseload and flexible generation technologies help to achieve the requirement. It will also help California prepare for the possible closure of the Diablo Canyon nuclear generating facility.
- Increase the megawatt allocation for existing biomass projects under the Governor's Emergency Proclamation.
- Make changes to the BioMAT and interconnection rules to facilitate forest biomass project development, also called for by the Emergency Proclamation.
- Allocate a portion of EPIC funding to baseload and flexible generation power to better quantify the grid, economic and environmental benefits of baseload and flexible generation power.

We thank the Commission for your consideration of these comments and look forward to working with the Commission to achieve the important benefits of baseload and flexible generation power described above.

Sincerely,