

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue
Electric Integrated Resource Planning and
Related Procurement Processes.

Rulemaking 20-05-003

**OFFSHORE WIND CALIFORNIA COMMENTS ON
CALIFORNIA PUBLIC UTILITIES COMMISSION'S
ELECTRICITY RESOURCE PORTFOLIOS FOR
2023-2024 TRANSMISSION PLANNING PROCESS**

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Pursuant to *Administrative Law Judge’s Ruling Seeking Comments on Electricity Resource Portfolios For 2023-2024 Transmission Planning Process*, dated October 7, 2022, Offshore Wind California (“OWC”) submits comments addressing “Section 8: Questions for Parties.” Offshore Wind California (“OWC”) is a trade group of more than 40 companies, including offshore wind developers, technology providers, and consultancies committed to the responsible development of offshore wind power in California. OWC appreciates the opportunity to comment on the California Public Utilities Commission’s (“CPUC”) Electricity Resource Portfolios for 2023-2024 Transmission Planning Process (“TPP”).

INTRODUCTION

The National Renewable Energy Laboratory (“NREL”) reports that California has 200 gigawatts (“GW”) of technical potential for generating offshore wind power.¹ The Joint Agency Senate Bill 100 (“SB 100”) report in March 2021 concluded that, to reach California’s goal of 100 percent clean energy by 2045, California will need to develop a diverse portfolio of renewable

¹ See NREL, 2020 Offshore Wind Resource Assessment for the California Pacific Outer Continental Shelf (October 2020), accessible at: <https://www.nrel.gov/docs/fy21osti/77642.pdf>.

energy that includes offshore wind.² In the report, the “SB 100 Core Scenario” called for 10 GW of offshore wind by 2045, or as much as the model would allow.³

Offshore wind power can provide clean, reliable energy that complements the state’s solar and other renewable resources and helps keep the lights on for Californians around the clock. Building offshore wind power capacity will create thousands of high-wage jobs, create new domestic supply chains, enable California to cost-effectively meet its 100 percent clean energy goals and also help the state manage its growing climate risks. These benefits can be achieved while protecting marine life and ocean resources. Realizing the full benefits of offshore wind development off the California coast will require sustained federal and state support for deployment at scale. Economies of scale will be key to driving down costs, delivering competitively priced clean power, and encouraging industries and jobs to locate in our state.

OWC COMMENTS ON CPUC PROPOSED 2023-2024 TPP

In response to the *Administrative Law Judge’s Ruling Seeking Comments on Electricity Resource Portfolios For 2023-2024 Transmission Planning Process*, dated October 7, 2022, OWC has developed comments to address questions 1, 2 and 6 in “Section 8: Questions for Parties,” as follows:

- 1. Do you recommend any changes to the proposed base case portfolio in Section 2 of this ruling? If so, provide rationale and justification for your recommended changes.**

Compared to previous TPPs, the CPUC’s proposed 2023-2024 TPP maintains an offshore wind capacity of 3.1 gigawatts (GW) in the Morro Bay Wind Energy Area, while increasing capacity to 1.6 GW in the Humboldt Wind Energy Area, in the base case for 2035.

² California Energy Commission, 2021 SB 100 Joint Agency Report, Achieving 100 Percent Clean Electricity in California: An Initial Assessment, CEC-200-2021-001 (March 2021), accessible at: <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

³ *Id.*

To cost-effectively meet California’s clean energy needs, it is imperative that base case transmission system upgrades are included, as well as new builds in the TPP required to attain the proposed levels of offshore wind capacity. These upgrades would include a new 500kV Morro Bay substation and major transmission upgrades for interconnection in the North Coast / Humboldt area.⁴

OWC and its members are pleased to see a long-term, strategic transmission planning approach. The CPUC’s proposed base case demonstrates its commitment to achieving a re-imagined grid, but this is only the first step. OWC recommends the CPUC revise the 2023-2024 TPP base case to increase capacities to match NREL study values.

- *Humboldt area:* The 2023-2024 TPP base case should study the full 2.7 GW potential at Humboldt. OWC applauds the CPUC for expanding capacity in the base case for the Humboldt area to 1.6 GW, but based on the recent NREL presentation to the California Energy Commission on updated capacity data,⁵ the resource potential at Humboldt is 2.7 GW. We recommend that the 2023-2024 TPP base case study the full 2.7 GW potential at Humboldt and that the base case for Humboldt be advanced from 2035 to 2033.
- *Morro Bay area:* The 2023-2024 TPP base case should study the full 4.9 GW potential at Morro Bay. The NREL 2022 data shows 4.9 GW of resource potential, so the proposed TPP base case is not primed to analyze the full potential of the area.

OWC supports relying on the updated NREL June 2022 data to reflect higher capacities expected in both Humboldt and Morro Bay.

⁴ Potential upgrade options were identified in the 2021-2022 TPP offshore wind sensitivity study.

⁵ NREL, Offshore Wind Research Summary – California Study Results, Presentation to California Energy Commission Workshop (June 27, 2022), at 8.

2. Do you recommend any changes to the proposed sensitivity portfolios in Section 3 of this ruling? If so, provide rationale and justification for your recommended changes.

To meet California’s clean energy goal timelines, it is imperative that transmission build-outs of the Central Coast and North Coast regions begin as soon as possible, given the long-lead times to permit and purchase the required equipment.

In addition, the proposed sensitivity portfolios should reflect the needed transmission upgrades in the 2023-2024 TPP base case to allow for the full integration of 2.7 GW at Humboldt and 4.9 GW at Morro Bay.

In the CPUC’s Proposed Sensitivity Portfolio, an “Offshore Wind Sensitivity Portfolio” with another 5 GW of offshore wind is to be studied at Cape Mendocino or Del Norte. Integrating over 8 GW of offshore wind in the North Coast would be a major step to attain California’s clean energy goals, which include a 25 GW goal of offshore wind development off the California Coast by 2045.

The transmission build-outs needed to harness the great potential of offshore wind and meet the 25 GW goal can be performed in a cost-effective, well-planned way. This can be achieved by first determining the optimal transmission system for the full capacity build-outs and then working backwards to “modularize” the first networks efficiently to a redundant, resilient and reliable future grid.

6. Include any comments in response to this ruling that are not covered in Questions 1-5 above.

OWC requests that the CPUC set aside time and a possible comment period to communicate with lease auction winners after the Bureau of Ocean Energy Management’s (“BOEM”) offshore wind energy lease sale on December 6, 2022. This would serve as an important opportunity to generate insight into and inputs for the TPP in time for the CPUC to finalize and transmit mapped portfolios to the CAISO in Q1 2023. Such a process would ensure

that the 2023-2024 TPP is as accurate as possible in matching offshore wind plans and timelines in both Morro Bay and Humboldt.

OWC appreciates the opportunity to provide comments on the CPUC's Electricity Resource Portfolios for 2023-2024 Transmission Planning Process and looks forward to continuing to support the CPUC's efforts.

October 31, 2022

/s/

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