

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

Order Instituting Rulemaking to Develop an
Electricity Integrated Resource Planning Framework
and to Coordinate and Refine Long-Term
Procurement Planning Requirements

Rulemaking 16-02-007

**PILOT POWER GROUP, INC.
2018 INTEGRATED RESOURCE PLAN**

PUBLIC VERSION

Pursuant to California Public Utilities Commission Decision 18-02-018, Pilot Power Group, Inc., (“PPG”) submits its 2018 Integrated Resource Plan (“IRP”). This public version of PPG’s 2018 IRP submission includes its Standard Plan narrative and related appendices. Confidential appendices are omitted as from this public version.

Consistent with the emailed instructions from Administrative Law Judge Julie A. Fitch on July 31, 2018, the public and confidential versions of this IRP and digital formats of the various appendices were provided to Energy Division via their secured FTP, and a formal, confidential filing with a Motion to File Under Seal will be made at a later date.

Should there be any questions regarding this submission, please contact the undersigned.

August 1, 2018

Respectfully submitted,

/s/

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Standard LSE Plan

PILOT POWER GROUP, INC.

2018 INTEGRATED RESOURCE PLAN

AUGUST 1, 2018

(PUBLIC VERSION--REDACTED)

Table of Contents

Table of Contents	2
1. Executive Summary	3
2. Study Design	3
2.1. Objectives	4
2.2. Methodology	5
2.2.1. Modeling Tool(s)	5
2.2.2. Modeling Approach	5
2.2.3. Assumptions	5
3. Study Results	5
3.1. Portfolio Results	5
3.2. Preferred Portfolio	6
3.2.1. Local Air Pollutant Minimization	6
3.2.2. Cost and Rate Analysis	6
3.3. Deviations from Current Resource Plans	6
3.4. Local Needs Analysis	6
4. Action Plan	7
4.1. Proposed Activities	7
4.2. Barrier Analysis	7
4.3. Proposed Commission Direction	7
5. Data	7
5.1. Baseline Resource Data Template	7
5.2. New Resource Data Template	7
5.3. Other Data Reporting Guidelines	8
6. Lessons Learned	8

1. Executive Summary

Pilot Power Group, Inc. (PPG) used forecasted and actual load data in combination with data provided by the CPUC, including the Clean Net Short GHG calculator outputs, to construct and analyze its current and forecasted position regarding future GHG benchmarks as they pertain to PPG's current and forecasted 2030 load. After analyzing all data, PPG believes that it has a procurement path to satisfy California GHG benchmarks by 2030. This procurement path coincides with the conforming portfolio.

2. Study Design

Load Assignments for Each LSE

PPG compared its total load from 2017 IEPR Form 7.1 [REDACTED] versus internal final load data [REDACTED], and used the higher of the two for the purposes of this filing.

Required and Optional Portfolios

PPG produced a "Conforming Portfolio," that uses the assigned load forecast and is demonstrated to be consistent with the Reference System Portfolio according to the following criteria:

- Uses the LSE-Specific 2030 GHG Emissions Benchmark assigned to the LSE in an ALJ ruling.
- Uses inputs and assumptions (e.g., baseline generating fleet, candidate resource cost assumptions, financial assumptions, etc.) matching those used in developing the Reference System Portfolio, with the following exceptions based on updated information:
 - PPG load modifier assumptions should be consistent with the 2017 IEPR demand forecast projections of both PV and non-PV self-generation, and load-modifying demand response included in the "mid Baseline mid AAEE mid AAPV" case.

PPG hereby and henceforth identifies its Conforming Portfolio as its "Preferred Portfolio."

GHG Planning Price

Not Applicable. PPG used the applicable LSE GHG Emissions Benchmarks.

TABLE A

<i>GHG Planning Price (\$ per metric ton of CO₂e) for use in IRP</i>	
<i>2018</i>	<i>\$15.17</i>
<i>2019</i>	<i>\$16.05</i>
<i>2020</i>	<i>\$16.94</i>
<i>2021</i>	<i>\$17.88</i>
<i>2022</i>	<i>\$18.86</i>
<i>2023</i>	<i>\$19.91</i>
<i>2024</i>	<i>\$21.02</i>
<i>2025</i>	<i>\$22.19</i>
<i>2026</i>	<i>\$23.44</i>
<i>2027</i>	<i>\$55.08</i>
<i>2028</i>	<i>\$86.72</i>
<i>2029</i>	<i>\$118.36</i>
<i>2030</i>	<i>\$150.00</i>

GHG Emissions Benchmark

PPG elected to use the assigned 2030 LSE-specific GHG Emissions Benchmark value in the most recent ALJ ruling in developing their conforming portfolio.

PPG believes its conforming portfolio contains a procurement plan commensurate to meet the necessary GHG benchmarks.

PPG’s projected 2030 total disadvantaged communities (DAC) load share within all IOU service territories is approximately 32.76%, based on current DAC classifications.

GHG Accounting in IRP Planning

PPG used the Clean Net Short Methodology and calculator tool for GHG accounting.

a. Objectives

PPG’s analytical objectives are to gather knowledge pertaining to their current load vs the current and future GHG benchmarks and to identify any gaps to satisfying future GHG benchmarks and to create a path to bridge those gaps, and specifically PPG’s load as it pertains to DACs.

b. Methodology

i. Modeling Tool(s)

Not Applicable. PPG used the CPUC provided tools.

ii. Modeling Approach

PPG used and followed the methods and guidelines provided by the CPUC (when applicable) to develop and evaluate the components of its preferred portfolio, including analyzation of the output data.

iii. Assumptions

PPG did not deviate from any assumptions used by the commission to prepare the Reference System Plan. PPG's existing contracted resource volumes were used as a baseline for 2030 projections.

3. Study Results

PPG's analytical results are as follows:

a. Portfolio Results

PPG's preferred and conforming portfolio consists of:

- Existing resources that PPG currently contracts with. Existing resources are those on the 3/15/2018 NQC List,¹
 - These resources are listed on the accompanying Baseline Resource Identifier excel spreadsheet.
- Clean Net Sheet (CNS) GHG calculator data, provided by the CPUC, with PPG's current and 2030 load forecast projections.

¹ <http://cpuc.ca.gov/irp/filingtemplates/>

b. Preferred and Conforming Portfolios

PPG seeks Commission approval and/or certification to use its Preferred Portfolio for planning purposes. PPG believes its Preferred Plan is consistent with each relevant statutory and administrative requirement with Code Section 454.52(a)(1). In providing its rationale, PPG assumes that other LSEs procure in a manner consistent with the Reference System Plan.

i. Local Air Pollutant Minimization

- PPG's projected 2030 total disadvantaged communities (DAC) load share within all IOU service territories is approximately 32.76%, based on current DAC classifications.
- PPG used the CNS methodology for GHG emissions to estimate NOx and PM, per IRP compliance call with CPUC on 6/20/18.

ii. Cost and Rate Analysis

PPG receives CAM Allocations from the CPUC and CPUC would develop the methodology for reflecting GHG impacts of the same on ESP Portfolios.

Requirements for All LSEs

PPG assumes its future resource adequacy obligations will be reduced by its proportional share of the resource adequacy value itemized in the year-ahead CAM list. As such, PPG's IRP Plan accounts for any resources subject to the cost allocation mechanism (CAM) in their preferred portfolio. PPG's proportional share is assumed static through the IRP planning horizon for the purpose of projecting its share of CAM resource adequacy value, but will be updated each IRP cycle based on the current proportional share assignment from the Commission's annual resource adequacy process, based on information outlined by the CPUC. PPG does not make assumptions or predictions on what resources may be procured on behalf of all load and subject to the CAM in the future.

c. Deviations from Current Resource Plans

PPG believes its Preferred Plan closely matches its currently filed RPS and RA procurement plans.

d. Local Needs Analysis

Currently, The CPUC provides the Local Requirements obligations to each LSE on a yearly basis and would continue to do so in the future. PPG will continue to fulfill that obligation based on the CPUC requirements.

4. Action Plan

a. Proposed Activities

PPG has no current contracts from Generators in DACs identified in California.

b. Barrier Analysis

PPG is assuming the current contracts that are in place would roll over through 2030. This assumption obviously has various risks associated including whether the particular resources will be available in the future, market pricing and any regulatory changes.

c. Proposed Commission Direction

Not applicable.

5. Data

a. Baseline Resource Data Template

PPG's baseline resource portfolio data is reported in the "Baseline Resource Data Template," as outlined by the CPUC.

b. New Resource Data Template

Not Applicable. PPG is proposing no changes to its load and load modifier assumption as part of its preferred Plan.

Form #	Form Description	IOU	CCA	ESP
<i>Form 1.1a</i>	<i>RETAIL SALES OF ELECTRICITY BY CLASS OR SECTOR (GWh) Bundled & Direct Access</i>	X		
<i>Form 1.1b</i>	<i>RETAIL SALES OF ELECTRICITY BY CLASS OR SECTOR (GWh) Bundled Customers</i>	X		
<i>Form 1.2</i>	<i>DISTRIBUTION AREA NET ELECTRICITY FOR GENERATION LOAD (GWh)</i>	X		
<i>Form 1.3</i>	<i>LSE COINCIDENT PEAK DEMAND BY SECTOR (Bundled Customers)</i>	X		
<i>Form 1.4</i>	<i>DISTRIBUTION AREA COINCIDENT PEAK DEMAND</i>	X		
<i>Form 3.2</i>	<i>ENERGY EFFICIENCY - CUMULATIVE INCREMENTAL IMPACTS</i>	X		
<i>Form 3.3</i>	<i>DISTRIBUTED GENERATION - CUMULATIVE INCREMENTAL IMPACTS</i>	X		
<i>Form 3.4</i>	<i>DEMAND RESPONSE - CUMULATIVE INCREMENTAL IMPACTS</i>	X		
<i>Form 4</i>	<i>REPORT ON FORECAST METHODS AND MODELS</i>	X	X	
<i>Form 6</i>	<i>UNCOMMITTED DEMAND-SIDE PROGRAM METHODOLOGY</i>	X		
<i>Form 7.1</i>	<i>ESP DEMAND FORECAST</i>			X
<i>Form 7.2</i>	<i>CCA DEMAND FORECAST</i>		X	

c. Other Data Reporting Guidelines

PPG used the below supporting data to assist in compiling various components of its IRP:

- Exhibit 1: RPS contract and generator data (Confidential)
- Exhibit 2: 2017 IEPR load data (Confidential)
- Exhibit 3: PPG 2017 Final Settled load data (Confidential)
- Exhibit 4: Baseline Resource Data (Confidential)
- Exhibit 5: Calculation of PPG’s 2030 emissions target (Confidential)

6. Lessons Learned

PPG has no suggestions to the commission at this time.

VERIFICATION

I, Sheetal Parr, am VP of Operations for Pilot Power Group, Inc. and am authorized to make this verification on its behalf. The matters stated in the foregoing 2018 INTEGRATED RESOURCE PLAN OF PILOT POWER GROUP, INC. (including the associated CLEAN NET SHORT GHG CALCULATOR spreadsheet, and the BASELINE IDENTIFIER spreadsheet) are true of my own personal knowledge, except as to matters which are stated therein on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this Verification is executed this 1st day of August, 2018, at San Diego, California.



Sheetal Parr

Exhibit 1: RPS contract and generator data (Confidential)

Exhibit 2: 2017 IEPR load data (Confidential)

Exhibit 3: PPG 2017 Final Settled load data (Confidential)

Exhibit 4: Baseline Resource Data (Confidential)

Exhibit 5: Calculation of PPG's 2030 emissions target (Confidential)

