



BRIEF

Puente gas plant should not be approved, California energy committee says

By **Krysti Shallenberger** • Oct. 6, 2017

Dive Brief:

- A California Energy Commission (CEC) committee assigned to evaluate NRG Energy's proposed 262 MW Puente natural gas plant recommended against approving the facility on Friday, well-ahead of its original timeline to complete its evaluation.
- The power plant was "inconsistent" with several laws, regulations and policies, the committee noted, and would "create significant unmitigable environmental effects." The committee will develop a proposed decision based on its findings to submit to the full CEC for approval.
- The committee's recommendation comes after the California ISO filed comments at the CPUC urging it to reconsider approval of the Puente plant in favor of more renewable energy, efficiency and storage resources to serve local electricity needs.

Dive Insight:

California regulators and lawmakers alike are targeting gas-fired peaking plants for scrutiny, recommending carbon-free alternatives instead.

In the past month, the California Public Utilities Commission rejected upgrades to the Ellwood gas peaking plant in Southern California, and state lawmakers passed a bill — SB 338 — that would mandate utilities develop alternatives to gas generation for meeting peak demand in their integrated resource plans.

Now the Puente project is back in the spotlight, despite CPUC approval last year. Planned to be online by 2020, the plant has attracted attention over fears the state is overbuilding gas generation even as it sets ambitious renewable energy and climate goals.

A California Energy Commission committee assigned to evaluate the project took the unusual step in announcing its plan to recommend against approval for the Puente project ahead of its deadline.

"We cannot recommend approval of a project that creates significant unmitigable impacts or is inconsistent with LORS unless we make the override findings required by law," the committee wrote in a statement. "We acknowledge that this statement is unusual, but observe that it in no way impairs the rights of the applicant or any other party."

The committee pointed to a report from CAISO last week that said alternatives to the plant were technically feasible, and that economic feasibility can only be determined through an expedited new Request for Offers proposal.

"While we have no current information about whether an expedited RFO is forthcoming, the timing constraints identified by the California ISO lead us to conclude that it is prudent to communicate the Committee's position before we complete the [Presiding Member's Proposed Decision] for the project," the committee wrote.

CAISO had only agreed to examine alternatives to the plant earlier this summer after pressure from lawmakers and a Los Angeles Times report that suggested California was overbuilding natural gas plants. Clean energy and green groups urged regulators and lawmakers to instead pivot to solar, efficiency and storage as a more cost-effective way to meet power needs and reduce emissions.


The grid operator released a report in August, noting three clean energy alternatives could cost between \$309 million and \$1.1 billion. In a new report released this week, CAISO urged less

fossil usage and more renewable energy, including additional distributed generation and rise in regional sharing of resources.

The CEC committee's findings will now be developed into proposed decision for review by the full regulatory body. The commissioners may still alter provisions in the proposed decision, but typically adopt the findings largely intact.

Green groups applauded the recommendation. Earthjustice attorney Matt Vespa said in a statement "the proposed rejection of Puente marks the end of new gas plants in California...This proceeding has shown clean energy can meet reliability needs. It is now time for Southern California Edison to solicit bids to replace Puente with the clean energy resources the Oxnard community deserves."

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