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PUC DOCKET NO. 40000

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OPTIONS ON RESOURCE ADEQUACY) PUBLIC UTILITY COMMISSION
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SUGGESTED QUESTIONS OF
SOLAR SAN ANTONIO
FOR JULY 27, 2012 WORKSHOP ON BRATTLE REPORT

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Introduction

Solar San Antonio suggests that the questions presented below be addressed at the July 27, 2012 workshop on the recommendations contained in the Brattle Report. These suggestions are offered in response to the Public Utility Commission inviting submission of such questions at the Commission meeting on July 1, 2012. Solar San Antonio is providing the reasons that these questions are both relevant and necessary considerations to addressing the short term response to the capacity challenge faced by Texas and the long term planning for future energy needs.

Solar San Antonio respectfully suggests that these questions be considered at the July 27, 2012 workshop and in subsequent Commission policy discussions.

Solar Antonio is sponsoring a Symposium on August 28, 2012 in San Antonio to address the topic: "How Can Solar Help ERCOT Address the Peak Challenge?" This Symposium will offer an opportunity to further explore the issues raised at the July 27 workshop with a special focus on the contribution that solar can make.

Solar San Antonio is aware of the suggested questions submitted by the Texas Renewable Energy Industries Association and supports their suggestions, particularly that the Brattle Report on solar produced for the Solar Energy Industries Association be incorporated into the PUCT discussions.

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At the same time, Solar San Antonio suggests that the future role of natural gas be carefully examined in light of the evidence that the exploration and burning of natural gas are contributing to the increasingly serious climate instability on our planet.

Solar San Antonio Questions

The specific questions we recommend be taken up in the workshop are:

- 1. Does the rapid growth of solar implementation in regulated markets compared to the far more limited implementation in deregulated markets suggest that new policies are needed to encourage solar in deregulated markets?**

San Antonio and Austin are far ahead of all other jurisdictions in implementing solar energy. Both have municipally-owned utilities.

San Antonio has 36 megawatts of solar central generation online, 6 megawatts of distributed solar in 654 systems, and 410 megawatts of additional centralized solar contracted to be built.

Austin has 30 megawatts of central generation online and 7 megawatts of decentralized solar in 1750 systems.

Combined, San Antonio and Austin probably have more than 90% of the solar installations in Texas.

The new power solar power plants built by San Antonio and Austin are basically the only new generators built recently in Texas.

This record suggests that the benefits of implementing solar as one response to capacity shortage are not being fully realized, particularly in the deregulated markets. While there have been laws proposed in the Legislature to provide incentives for solar statewide, those laws have not passed. Using the workshop to identify options that can

encourage rapid statewide deployment of solar to help meet the peak load challenge faced by Texas would be useful.

2. What is our best assessment regarding the seriousness of climate instability?

Solar San Antonio observes that the tone of recent articles regarding climate instability demonstrates a change in focus. While the dialog has been about whether climate change is happening and, if so, how serious the question is, the current articles are basically concluding that we have failed to prevent many of the worst case scenarios already and should shift our focus to preparing responses to those scenarios.

As one example, a recent meeting of experts regarding the impact of climate change on coral reefs concluded unanimously that there was a need for immediate action to prevent the reefs from dying.

One of the experts stepped away from the group to conclude that the reefs are going to die and there is nothing that we can do to stop that process. The question that should be addressed is how we are going to feed the millions of people that relied upon the reefs for food.

http://www.nytimes.com/2012/07/14/opinion/a-world-without-coral-reefs.html?_r=1

A second example is an article addressing the question of tipping points, conditions that reach a certain state and then dramatically shift to a different state. The article posits that we may already have reached some of those points of no return.

http://www.nytimes.com/2012/07/21/opinion/the-climate-change-tipping-point.html?_r=1&nl=todaysheadlines&emc=edit_th_20120721

The question for the Commission is whether we have reached the point where worst case climate scenarios should be considered in deciding energy policy.

3. If we have indeed created conditions where extremes of climate, ecosystem collapse, and other products of our releasing greenhouse gases threaten massive dislocation, disruption of food supplies, and other seriously adverse impacts, can we continue to base energy policy on simply which fuel is more available and economical without regard to externalities?

Some analysts are examining whether we are moving beyond extreme events into conditions that will make the planet itself uninhabitable and what we would need to do to prevent the worst of the worse case scenarios from manifesting. That analysis points toward non-development of fossil fuels as a key strategy.

<http://www.rollingstone.com/politics/news/global-warmings-terrifying-new-math-20120719>

The question for the Commission is whether contributing to a temperature rise that approaches the critical 2 degree celsius (3.6 degree fahrenheit) increase is ecologically unacceptable, morally indefensible, and economically disastrous. If so, the Commission would be making an informed decision to adopt policies that eliminate fossil fuels at the earliest possible date and certainly not adopt policies that rely on the continued development of fossil fuels for energy.

4. What role does water availability play in energy policy now and should consideration of water availability play a larger part in energy policy?

The extreme drought conditions in much of Texas threatens agriculture, municipal water supplies, and ecosystems throughout the State. Climate models suggest that longer and deeper droughts are in Texas' future. Projected rapid growth in population will make water availability issues even more acute.

Energy production is a major user of water. To the extent public policy and incentives move power production into less water intensive fuels, like solar and wind, the pressure on water availability will be eased.

Conclusion

The report that the Brattle Group prepared for ERCOT illuminated the issue of inadequate capacity and the report the Brattle Group prepared for the Solar Energy Industries Association illuminated a possible approach to a solution. Given the speed and ease with which renewable energy sources can be deployed, the most obvious solution is to encourage such deployment in every possible way.

While the goal of providing future generations a reliable and affordable electric supply is important, the goal of providing those generations a sustainable future is even more important.

We have made decisions in the past that burdened future generations with high level radioactive waste in order for those alive now to have cheaper electricity from nuclear reactors. Hopefully, we have matured in our consideration of the impacts of our actions on those coming after us.

Respectfully submitted,



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