

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

**Order Instituting Rulemaking to Oversee
the Resource Adequacy Program, Consider
Program Refinements, and Establish
Annual Local and Flexible Procurement
Obligations for the 2019 and 2020
Compliance Years.**

**R.17-09-020
(Filed September 28, 2017)**

**ADDITIONAL COMMENTS OF THE
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
ON TRACK 2 MATTERS**



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September 14, 2018

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Pursuant to the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge (ALJ), issued on January 18, 2018 (Scoping Memo), Decision 18-06-030 (Track 1 Decision) and the email ruling of ALJ Allen, dated August 31, 2018 (August 31 Ruling), the California Community Choice Association (CalCCA) submits these Additional Comments on Track 2 matters.

I. INTRODUCTION

CalCCA thanks the Commission for providing this additional opportunity for comments within the record. CalCCA believes the current record within Track 2 of this proceeding remains insufficient for resolving the matters of multi-year requirement for and central buying of Local Resource Adequacy (RA). CalCCA thus urges the Commission to: (i) convene additional workshops, and (ii) provide clear guidance for the remainder of the Track 2 schedule. Both will enable intervening parties to aid the Commission in fully developing the record to clearly resolve these matters.

II. THE BENEFITS OF CALCCA'S PROPOSAL TO MAXIMIZE LSES' ROLE IN LOCAL RA PROCUREMENT COULD BE ACHIEVED THROUGH AN ALTERNATIVE CENTRAL BUYER.

CalCCA supports adoption of a multi-year Local Resource Adequacy (RA) requirement for all load serving entities (LSEs) that are subject to Commission jurisdiction for the purpose of RA requirements and recognizes the Commission's desire to use centralized buying to counteract potential market power and market inefficiencies. On July 10, 2018, CalCCA submitted a detailed proposal aimed to maximize LSEs' role in Local RA procurement and minimize the need for central buying, placing the central buyer in a residual role. That proposal: 1) minimizes costs to ratepayers, 2) empowers all LSEs to realize Local RA value within their individual procurement, 3) addresses potential instances of local market power, 4) ensures the central buyer does not create anti-competitive impacts within the market, and 5) enables an expedited transition within the Local capacity fleet away from fossil-fuel dependent resources.¹

While CalCCA's proposal places the CAISO in the role of central buyer, most of the benefits of the proposal could also be achieved with a third-party central buyer. For this reason, CalCCA remains open to considering alternative proposals for performing the central buying function, as raised in other parties' testimony and comments,² while maintaining other key elements that CalCCA has proposed. Furthermore, CalCCA believes there is potential for overlap and agreement among intervening parties in

¹ Prepared Direct Testimony of Witnesses Lorenzo Kristov, Richard McCann and Shehzad Wadalawala on behalf of the California Community Choice Association (CalCCA Testimony).

² Though the Office of Ratepayer Advocates (ORA) did not present testimony, it did propose within its August 8th comments an additional model for central buying utilizing a Commission selected consultancy with support from the Investor-Owned Utilities (IOUs).

resolving these matters. This potential for consensus can be advanced by additional workshops to explore the nuanced similarities and differences among parties' proposals.

III. ADDITIONAL WORKSHOPS ON PROPOSALS AND ISSUES RELATED TO MULTI-YEAR AND CENTRAL BUYING ARE NEEDED

CalCCA has been in open communications with other intervening parties to discuss similarities and differences between parties' proposed solutions to the need for both a multi-year obligation for and central buying of Local RA. Though there are distinct differences among the proposals, CalCCA remains optimistic that there is enough commonality among parties' positions to potentially arrive at a consensus point either formally through further development within the record or less formally through settlement negotiations among the parties. For such a consensus to be reached through either pathway, additional opportunities for interaction between parties and Commission staff are necessary to explore the details of the issues and proposed solutions. Additional workshops would enable this exploration.

CalCCA provided in its August 8th comments a lengthy list of issues that should be explored through additional workshops. For brevity CalCCA will not repeat that list here, but CalCCA maintains these recommendations.

IV. THE PRESENT STATE OF THE RECORD IS INSUFFICIENT FOR THE COMMISSION TO ARRIVE AT A DECISION ON MULTI-YEAR AND CENTRAL BUYING IN LOCAL RA

The present state of the record within this proceeding is insufficient for resolving the matters of multi-year and central buying in Local RA. Notably, no consensus exists even among the three investor-owned utilities about a preferred solution. Furthermore, the Track 2 schedule remains uncertain. For these reasons, CalCCA urges the

Commission to provide clear and expedient guidance for the remainder of the Track 2 schedule and in that guidance provide for further development of the record through workshops and comments.

V. CONCLUSION

CalCCA reiterates its request for additional workshops and requests clear, expedient guidance from the Commission for the remaining schedule within this Track so that the record can be fully developed to resolve the Local RA issues at hand. Furthermore, CalCCA remains optimistic about the potential to arrive at a consensus-based solution to these matters and looks forward to additional opportunities to seek agreement with other interested parties through the remainder of this proceeding.

Respectfully submitted,



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September 14, 2018