

**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.

R.16-02-007
(Filed February 11, 2016)

**REPLY COMMENTS OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION ON
RULING SEEKING COMMENT ON POLICY ISSUES AND OPTIONS
RELATED TO RELIABILITY**

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Pursuant to the directions set forth in the *Ruling of Assigned Commissioner and Administrative Law Judge Seeking Comment on Policy Issues and Options Related to Reliability* (“Joint Ruling”) issued on November 16, 2018, the California Community Choice Association (“CalCCA”) respectfully submits the following reply comments on the Joint Ruling. Numerous issues were raised in parties’ opening comments and CalCCA does not attempt to address every issue raised. Instead, CalCCA highlights areas of agreement between parties as a starting point for next steps on the questions raised in the Joint Ruling. CalCCA also corrects and clarifies certain parties’ mischaracterizations of the Integrated Resource Plan (“IRP”) filings of Community Choice Aggregators (“CCAs”).

As discussed in CalCCA’s opening comments, the Proposed Decision in the Commission’s current Resource Adequacy proceeding (“RA PD”) could have a substantial impact on the questions raised in the Joint Ruling and create disruption and uncertainty the RA market.¹ The potential consequences of the RA PD cannot be ignored in considering the questions raised in the Joint Ruling, particularly since the Joint Ruling and the RA PD both seem to seek to address possible near- and

¹ *Comments of California Community Choice Association on Ruling Seeking Comment on Policy Issues and Options Related to Reliability*, at 4, 6 (December 20, 2018) (“CalCCA Opening Comments”). See also, *Comments of the Alliance for Retail Energy Market on Policy Issues and Options Related to Reliability*, at 6 (December 20, 2018), *Comments of San Diego Gas & Electric Company in Response to Ruling Seeking Comment on Policy Issues and Options Related to Reliability*, at 5 (December 20, 2018).

medium-term reliability challenges. Therefore, CalCCA requests the opportunity to submit additional comments on the Joint Ruling once a decision is approved in the RA proceeding.

Related to the impact of the RA PD is the issue raised by CalCCA and other parties regarding coordination of proceedings before the California Public Utilities Commission (“Commission”) and coordination between Commission proceedings and stakeholder initiatives at the CAISO.² There was broad agreement between parties that there must be better inter-agency coordination between the Commission and CAISO.³ Many parties also agreed that there needs to be better coordination between the Commission’s own proceedings relating to reliability. For example, in response to Question 2 of the Joint Ruling regarding whether the RA or the IRP proceeding is the appropriate forum to address possible near- or medium-term reliability concerns, most parties responded that both proceedings are appropriate because of the differing time horizons for, and issues to be considered in both proceedings.⁴ While CalCCA believes that the RA proceeding is the appropriate proceeding to consider and address possible reliability concerns, it agrees with parties that both proceedings must be closely coordinated by the Commission.

Although CalCCA believes strongly that Commission proceedings relating to reliability should be coordinated, it also notes that the issues within the scope of each Commission proceeding must be clear so as to prevent unnecessary and burdensome overlap between related, but separate proceedings. For example, proposals addressing RA requirements and compliance with those requirements⁵ are more appropriately addressed in the RA proceeding. Whereas, as noted in the opening comments of

² CalCCA Opening Comments, at 5-7.

³ See *Comments on Ruling of the Department of Market Monitoring of the California Independent System Operator Corporation*, at 1-3 (December 20, 2018), *Comments of Environment Defense Fund on Policy Issues and Options Related to Reliability*, at 8-9 (December 20, 2018), *Opening Comments of Pacific Gas and Electric Company on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Comment on Policy Issues and Options Related to Reliability*, at 10 (December 20, 2018) (“PG&E Opening Comments”).

⁴ See *Comments of the California Large Energy Consumers Association on the Ruling of Assigned Commissioner and Administrative Law Judge Seeking Comment on Policy Issues and Options Related to Reliability*, at 6 (December 20, 2018), *Opening Comments of the Union of Concerned Scientists on the Ruling Seeking Comment on Policy Issues and Options Related to Reliability*, at 3-4 (December 19, 2018), *Opening Comments of the Public Advocates Office in Response to Joint Ruling of Assigned Commissioner and Administrative Law Judge Seeking Comment on Policy Issues and Options Related to Reliability*, at 3-4 (December 20, 2018) (“PAO Opening Comments”).

⁵ See PG&E Opening Comments, at 17.

several parties, the IRP proceeding is for planning.⁶ While the RA and IRP proceedings should be closely aligned, the scope and issues within each proceeding should be clear in order to avoid redundant, repetitive, or inconsistent obligations on parties in both proceedings.

Finally, CalCCA would like to correct several fundamental mischaracterizations of CCAs' IRP filings made by certain parties. For instance, Southern California Edison ("SCE") questions CCAs' commitment to fully participating in the Commission's IRP process and whether CCAs' IRP filing represent their actual resource planning.⁷ In addition, Pacific Gas and Electric ("PG&E") states that CCA plans failed to address reliability needs and resources.⁸

As stated in CalCCA's comments on Load Serving Entities' ("LSEs") Integrated Resource Plans, all operational members of CalCCA filed Integrated Resource Plans⁹ and fully intend to comply with statutory requirements as well as the directives in Commission Decision (D.) 18-02-018.¹⁰ Further, all CCAs are projected to meet their GHG emissions benchmarks and RPS requirements, and have demonstrated diligence in complying with applicable RA requirements.¹¹

With respect to RA requirements and resources, guidance provided on IRP filing requirements made it clear that:

In the near term (i.e., next year or the year after) there should be no difference between contracted (purchased) RA and the quantity of RA to meet an LSE's obligation. However, in later years (i.e., up to 2030), the LSE may not yet have RA contracts in place, so the LSE does not know what it will use to satisfy its RA obligation. In this case, the LSE can report what it expects to contract with (e.g., an unknown existing resource), or the LSE can choose to not speculate on what types of contracts it might sign in the future to meet its future RA obligations.¹²

⁶ See PAO Opening Comments, at 3-4, PG&E Opening Comments, at 10, *Comments of Southern California Edison Company on Ruling of Assigned Commissioner and Administrative Law Judge Seeking Comment on Policy Issues and Options Related to Reliability*, at 17 (December 20, 2018) ("SCE Opening Comments").

⁷ SCE Opening Comments, at 10.

⁸ PG&E Opening Comments, at 8.

⁹ *Comments of California Community Choice Association on Integrated Resource Plans of Load Serving Entities*, at 2 (September 12, 2018) ("CalCCA Opening Comments on LSEs' IRPs").

¹⁰ *Reply Comments of California Community Choice Association on Integrated Resource Plans of Load Serving Entities*, at 12 (September 26, 2018) ("CalCCA Reply Comments on LSEs' IRPs").

¹¹ CalCCA Opening Comments on LSEs' IRPs, at 3.

¹² Integrated Resource Plan (R.16-02-007) Filing Requirements Reference Guide (version July 20, 2018), at 5. Available at,

LSEs had flexibility in addressing future reliability needs and resources in their IRP filings. Simply because some CCAs may have chosen not to speculate on future contracts to meet future RA obligations (as permitted by the guidance provided on IRP filing requirements), does not mean that CCAs are not committed to meeting their ongoing RA requirements.

CalCCA also addressed SCE's erroneous assertions regarding the role of CCA IRP filings in its comments on the LSEs' IRP plans.¹³ Although CCAs may have planning processes separate from their Commission mandated IRP filings, this does not in any way indicate that CCAs are not fully participating in the Commission's IRP process or that CCAs' IRP filings do not reflect their actual resource planning. Rather, those separate planning processes serve different functions than the Commission's IRP process, and may use more LSE-specific load forecasts and other inputs. For example, many CCAs plan to meet local goals in addition to meeting the RPS goals and GHG emissions benchmarks required in the Commission's IRP process. Nothing in the statutes mandating the IRP process prohibits this. The Commission has also expressly recognized that due consideration should be given to the "priorities and policies of local governing boards of CCAs whose local objectives may differ, at least in emphasis, for the statewide requirements ..."¹⁴

Further, the Commission has acknowledged the need for flexibility in planning procurement.

As stated in D.18-12-018:

Once procurement activities are undertaken, we expect that the LSEs will procure the most effective resources within the groups that meet their cost, reliability, and other needs such as impacts on disadvantaged communities, which may look different from what each LSE's plan proposes.

In sum, the purpose of the reference system portfolio is to point the general direction for planning purposes, for individual LSEs and policymakers, while being updated with better information at least every two years. Each LSE will be required to plan toward adherence to the reference system portfolio, with specific justification given when its plan deviates from the reference portfolio. When it comes to actual procurement, we expect that LSEs will choose the most appropriate and effective resources offered to them that meet their customers'

http://cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/UtilitiesIndustries/Energy/EnergyPrograms/ElectPowerProcurementGeneration/irp/2018/LSE_Filing_ReferenceGuide_20180720.pdf (emphasis added).

¹³ CalCCA Reply Comments on LSEs' IRPs, at 12-14.

¹⁴ D.18-02-018, at 30.

needs, when analyzing cost, reliability, and disadvantaged communities impacts, among other considerations.¹⁵

LSEs' IRP filings provide a framework for future procurement; they do not dictate procurement of specific resources.

Finally, both PG&E and SCE raise the issue of enforcement of LSEs' IRPs.¹⁶ As described in detail above, contrary to PG&E's and SCE's misstatements regarding CCAs' IRP filings, they are entirely consistent and compliant with statutory requirements and the Commission's direction in D.18-02-018. In addition, D.18-02-018 clearly addressed the Commission's authority over CCA IRP filings and found that while it is within the authority of the Commission to review and approve CCA plans, "the procurement decisions, customer rates, and contract terms and conditions (outside of the RPS) are the domain of the CCA governing boards and not the Commission."¹⁷

CalCCA appreciates the opportunity to provide these comments and looks forward to working with the Commission and other stakeholders on the questions posed in the Joint Ruling.

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Respectfully submitted,

/s/

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¹⁵ *Id.* at 90-91 (emphasis added).

¹⁶ PG&E Opening Comments, at 9-10; SCE Opening Comments, at 13-14.

¹⁷ D. 18-02-018, at 26.