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.

Rulemaking 17-09-020
(Filed September 28, 2017)

RESPONSE OF THE CALIFORNIA COMMUNITY CHOICE ASSOCIATION IN SUPPORT OF THE JOINT MOTION TO ESTABLISH A SCHEDULE AND PROCESS FOR DETERMINING THE CAPACITY VALUE OF HYBRID RESOURCES

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October 11, 2019
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Pursuant to Rule 11.1 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, the California Community Choice Association (CalCCA)\(^1\) submits the following response in support of the *Joint Motion to Establish a Schedule and Process for Determining the Capacity Value of Hybrid Resources*, filed on September 27, 2019 (Joint Motion).

I. INTRODUCTION

The Joint Motion requests a schedule and process for determining the qualifying capacity (QC) value of hybrid resources\(^2\) “located in front of the utility meter (IFM) and behind the utility meter (BTM), which currently do not have a QC value or methodology to determine that value.”\(^3\) The Joint Parties seek to address the “lack of a timeline for establishing a QC methodology for

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\(^2\) “Hybrid resources” are generally defined as energy storage combined with a generation resource.

\(^3\) *Joint Motion to Establish a Schedule for Determining QC Value of Hybrid Resources* (Joint Motion), Sept. 27, 2019, at 1.
hybrid generation resources.”4 The Joint Parties’ concern is borne from the representations at the Resource Adequacy (RA) workshops that “the Commission finds the determination of a QC methodology for hybrid customer-sited resources to be out of scope or otherwise untenable.”5 The Joint Parties request a ruling setting a schedule and process for adopting a QC methodology for hybrid energy resources6 and a commitment to “adopting an interim methodology for determining that value before the end of 2019.”7 CalCCA supports the Joint Parties’ request and urges the Commission to expeditiously set a schedule for consideration of this important issue.

II. CALCCA SUPPORTS THE REQUEST FOR EXPEDITED REVIEW OF THE HYBRID RESOURCE QC METHODOLOGY IN THE RA DOCKET

While CalCCA appreciates the Commission’s establishment of a working group to resolve outstanding issues regarding the QC methodology, CalCCA shares in the Joint Parties’ concern regarding the lack of a timeline for establishing a QC methodology for hybrid generation resources. As the schedule currently stands, a QC value of hybrid resources is not expected until mid- to late-2020. This timeline prevents the timely development of a procurement program for hybrid resources, which impairs the development and contracting efforts of load serving entities (LSEs) and hybrid resource generators. Ultimately, delay does a disservice to the state’s climate goals and the end-use customers supporting LSEs’ efforts to meet these goals. Therefore, CalCCA supports the Joint Parties in their request that the Commission commit to addressing the QC methodology before the end of 2019.

The Joint Parties clearly identify all of the signposts pointing to an urgent need to undertake this action. In particular, the proposed decision in R.16-02-007 magnifies the need to

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4 Id. at 2.
5 Id.
6 Id. at 5.
7 Id.
move quickly, forecasting a potential shortfall of system RA capacity as early as 2021.\textsuperscript{8} With the short time for development, hybrid resources may be one of the most promising solutions to such a shortfall, as the Proposed Decision itself acknowledges.\textsuperscript{9} The lack of clear communication of the value of these resources through a stable QC methodology, however, threatens to slow their development.

\textbf{III. CONCLUSION}

For the foregoing reasons, CalCCA respectfully requests that the Commission establish an expedited process to the QC methodology for hybrid resources.

Respectfully submitted,

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October 11, 2019

\textsuperscript{8} See generally Proposed Decision Requiring Electric System Reliability Procurement for 2021-23 (“The need for system resource adequacy and renewable integration resources begins in 2021 and will extend through at least 2023.”).

\textsuperscript{9} \textit{Id.} at 38.