

**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**

Irene K. Moosen
Director, Regulatory Affairs
**CALIFORNIA COMMUNITY
CHOICE ASSOCIATION**
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94521
Email: Regulatory@cal-cca.org

Evelyn Kahl
Benjamin C. Ellis
**BUCHALTER,
A Professional Corporation**
55 Second Street, Suite 1700
San Francisco, CA 94105
415.227.0900
Email: ekahl@buchalter.com

Counsel to the
California Community Choice Association

October 11, 2019

**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**

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 resources² “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

¹ California Community Choice Association represents the interests of 19 community choice electricity providers in California: Apple Valley Choice Energy, CleanPowerSF, Clean Power Alliance, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Monterey Bay Community Power, Peninsula Clean Energy, Pioneer Community Energy, Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Jacinto Power, San Jose Clean Energy, Silicon Valley Clean Energy, Solana Energy Alliance, Sonoma Clean Power, and Valley Clean Energy.

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

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 2021.⁸ 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.⁹ The lack of clear communication of the value of these resources through a stable QC methodology, however, threatens to slow their development.

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,



EVELYN KAHL
Counsel to the
California Community Choice Association

October 11, 2019

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.”).

⁹ *Id.* at 38.