

**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 on February 11, 2016)

**COMMENTS OF THE CALIFORNIA COMMUNITY CHOICE ASSOCIATION
IN RESPONSE TO RULING SEEKING COMMENT ON FILING REQUIREMENTS
FOR 2020 INTEGRATED RESOURCE PLANS**

Irene K. Moosen
California Community Choice Association
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94521
415.587.7343
regulatory@cal-cca.org

Director, Regulatory Affairs
California Community Choice Association

Evelyn Kahl
Ann C. Springgate
Buchalter, A Professional Corporation
55 Second Street, Suite 1700
San Francisco, CA 94105
415.227.0900
ekahl@buchalter.com

Counsel to
California Community Choice Association

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TABLE OF CONTENTS

Contents

I.	INTRODUCTION AND SUMMARY	1
II.	QUESTIONS RELATED TO SECTION 2: GENERAL RULES AND GUIDELINES.....	2
A.	Question 1: Type of plan.....	2
B.	Question 2: Required and Optional Portfolios.....	3
1.	The Process Should Aim to Standardize Assumptions to Facilitate Plan Aggregation but Should Not Standardize Portfolios.....	3
a.	The Commission Should Define “Renewable Integration”	4
b.	The Commission Should Not Mandate a CCA’s Resource Mix	6
2.	Adhering to the Inputs and Assumptions of the Conforming Portfolio Will Present Technical Challenges	7
3.	Allowing LSEs to Present Non-Conforming Preferred Portfolios Provides Valuable Information	8
C.	Question 3: Confidentiality.....	9
D.	Question 4: Other	10
1.	Definition of “Certify” (a Community Choice Aggregator Plan) and “Approve” (an IOU, ESP or CCA Plan)	11
2.	Reference System Portfolio Resource Mix.....	12
III.	QUESTIONS RELATED TO SECTION 3: TECHNICAL REQUIREMENTS	13
A.	Question 5: Assigned Load Forecast	13
B.	Question 6: Greenhouse Gas (GHG) Planning Price.....	14
C.	Question 7: GHG Emissions Benchmark.	14

D.	Question 8: Reporting on IRP Planning Standards.....	15
E.	Question 9: Use of IRP Planning Standards	15
F.	Question 10: Areas for Planning Standards	16
G.	Question 11: Other	17
IV.	QUESTIONS RELATED TO SECTION 4: LSE PLAN COMPONENTS	17
A.	Question 12: Portfolio GHG Results	17
B.	Question 13: Reported Contracted and Planned Resources.....	17
C.	Question 14: IRP and RPS Plan Alignment.....	18
D.	Question 15: Local Air Pollutants.....	18
E.	Question 16: Disadvantaged Communities.....	19
F.	Question 17: Costs and Rates	19
G.	Question 18: Hydroelectric Generation Risk.....	20
H.	Question 19: Hydroelectric generation risk	20
I.	Question 20: Resource Shuffling	20
J.	Question 21: Apportioning Reliability Targets.....	21
K.	Question 22: Reliability Assessment/ESPs.....	22
L.	Question 23: Reliability Assessment/Double Counting	22
M.	Question 24: Reliability Assessment/ELCC.....	22
N.	Question 25: Reliability Assessment/LOLE	22
O.	Question 26: Reliability Assessment/Local Capacity Areas	23
P.	Question 27: Reliability Assessment/Other Planning Standards	23
Q.	Question 28: Resource Mix	23
R.	Question 29: Resource Oversubscription.....	24
S.	Question 30: Action Plans	24
T.	Question 31: Clean Net Short Calculator Tool.....	25

U.	Question 32: Clean Net Short Calculator Tool/SMUJU.....	25
V.	Question 33: Clean Net Short Calculator Tool/Load-Modifier Toggle.....	25
W.	Question 34: Other	25
V.	OTHER QUESTIONS	26
A.	Question 35: Bundled Procurement Plans	26
B.	Question 36: Other	26
VI.	CONCLUSION.....	26

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The California Community Choice Association¹ (CalCCA) submits these comments pursuant to the *Administrative Law Judge's Ruling Seeking Comment on Filing Requirements for 2020 Integrated Resource Plans* (Ruling).

I. INTRODUCTION AND SUMMARY

CalCCA appreciates the opportunity to provide comments in response to the Ruling and the Staff Proposal. CalCCA members are dedicated to working with the Commission and other jurisdictional load-serving entities (LSEs) to ensure that the statewide resource planning process enables California to fulfill its reliability and climate goals. In this vein, CalCCA recommends further informal communication among the Staff and LSEs to understand the complexities Staff encountered in aggregating LSEs' portfolios in the 2017-2018 planning cycle. A shared understanding will allow these stakeholders to balance the Staff's interest in uniformity with the

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.

statutory requirements for local government oversight of Community Choice Aggregator (CCA) procurement. Departing from a point of shared understanding will best ensure a balanced and reasonable outcome.

II. QUESTIONS RELATED TO SECTION 2: GENERAL RULES AND GUIDELINES

A. Question 1: Type of plan

Comment on the proposed changes to the type of plan that LSEs are eligible to file. Are there other changes, or modifications to the proposed changes, that should be considered?

CalCCA urges the Commission to reconsider the Staff's proposal to require all LSEs to file Standard Plans, regardless of the load served by individual LSEs. A few CalCCA members with annual load under 700 gigawatts (GWs) filed Alternative Plans in the last cycle and request the opportunity to maintain this option.²

While these CCAs generally understand the Staff's interest in uniformity to ease of data aggregation and analysis, this proposed change represents a significant increase in regulatory burden on small LSEs. Furthermore, the statute clearly requires only LSEs who serve more than 700 GWs in annual load to file Integrated Resource Plans (IRPs).³ Thus, before adopting this requirement, CalCCA, and particularly its members who serve annual loads below the statutory threshold, asks for further clarification of the incremental value to the planning process of requiring small LSEs to provide substantially granular forecasts.

² ALJ Ruling Finalizing Load Forecasts and Greenhouse Gas Benchmarks for Individual Integrated Resources Plan Filings at 4-5.

³ CAL. PUB. UTIL. CODE § 9621(a).

B. Question 2: Required and Optional Portfolios.

Comment on the proposed changes to the required and optional portfolios for individual LSE filings. Are there changes, or modifications to the proposed changes, that should be considered?

1. The Process Should Aim to Standardize Assumptions to Facilitate Plan Aggregation but Should Not Standardize Portfolios

The Legislature’s IRP directives, adopted in Senate Bill (SB) 350, require the Commission to balance the need for a statewide resource coordination with the independent role carved out for CCAs by Assembly Bill (AB) 117. The Commission has expressly recognized the need for this balance, declaring its “respect [for] the separate authority of CCA governing boards and the limitations of our rate and contract authority” over CCAs.⁴ It has confirmed that “with some exceptions related to renewable integration resources, 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.”⁵

The Commission has also recognized that its authority to adopt procedural requirements for CCA IRPs is “primarily with respect to the [statewide] planning process, in order to assess the aggregated impact of all LSE plans combined.”⁶ Thus, the purpose of the Commission’s authority is to ensure that CCAs provide the Commission with adequate information to fulfill its statewide planning function, not to regulate or direct CCA resource planning and procurement.

Within this scope of authority, the Commission may standardize the manner in which the CCAs *present* their preferred portfolios in the IRP process to enable aggregation of LSE portfolios, but may not attempt to standardize the portfolios themselves. Its qualitative

⁴ Decision (D.)18-02-018 at 158.

⁵ *Id.* at 26.

⁶ *Id.*

assessment of CCA preferred portfolios must be limited to certification that the portfolios conform to the state’s statutory procurement mandates.

The Staff’s Proposal falls within these boundaries to the extent it specifies the “inputs and assumptions” Staff uses in developing the Reference System Portfolio (RSP) and requires a CCA to identify how it intends to meet the renewable integration requirements identified by the Commission.⁷ As noted below, however, even standardizing assumptions presents technical challenges. The Staff’s Proposal risks going beyond the Commission’s statutory boundaries, however, in two respects. First, by failing to define “integration of renewable energy,” the Staff Proposal risks interpreting the statute so broadly that this exception from CCA governing board authority swallows the rule. Second, the Staff proposal sets as a planning standard the requirement that a CCA’s plan must account for the “resource mix identified in the optimal portfolio.”⁸ This requirement encroaches on a CCA governing board’s authority to determine the resource mix necessary, within statutory constraints, to meet local governmental mandates and objectives.

a. The Commission Should Define “Renewable Integration”

California Public Utilities Code section 454.51 directs the Commission to “identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy.”⁹ It further requires the Commission to permit CCAs to submit proposals to satisfy their share of the “renewable integration need.”¹⁰ Decision (D.)18-02-018, despite using the term “renewable integration” more than a dozen times, does not define the term. Moreover, the scope of renewable integration implied in the

⁷ Staff Proposal at A-14.

⁸ *Id.* at A-21.

⁹ CAL. PUB. UTIL. CODE § 454.51(a)

¹⁰ *Id.* at § 454.51(d).

decision comes close to swallowing what was intended by the Legislature to be a specific, limited exception to CCAs' ability to procure the resources of their choosing to meet customer needs. To ensure the IRP process stays within the Commission's scope of authority, CalCCA recommends that at the outset of this planning process the adoption of a specific, limited definition of for the "integration of renewable energy" and "renewable integration need."

A specific, limited definition of "renewable energy integration resources" should focus on those specific grid services needed by the grid operator uniquely and specifically to address the operating characteristics of variable fuel resources. The definitions should recognize that many renewable resources, such as geothermal, small hydro, or solar and wind with smart inverters or storage,¹¹ self-integrate and can be optimally dispatched. Yet other inflexible resources make integration of variable fuels resources more difficult, such as relatively inflexible nuclear or natural gas resources that cannot respond adequately to variable needs.

The Commission should begin this process with the following definition of renewable integration resources:

Resources with specific operating characteristics, grid locations, and other attributes that provide, or mitigate the need for, specific grid services that are necessary to accommodate grid needs directly created by variable fuel or intermittent generation.

While the Commission should solicit stakeholder input to build on the work already done by the California Independent System Operator (CAISO), National Renewable Energy Laboratory (NREL) and others to define renewable integration services,¹² the Commission should take as a starting point for the list of services needed by grid operators to include the following:

¹¹ See NREL (2017) "Demonstration of Essential Reliability Services by a 300-MW Solar Photovoltaic Power Plant," available at <https://www.nrel.gov/docs/fy17osti/67799.pdf>.

¹² See, e.g., NREL (2015) "Grid Integration and the Carrying Capacity of the U.S. Grid to Incorporate Variable Renewable Energy," available at <https://www.nrel.gov/docs/fy15osti/62607.pdf>;

- (1) Inertial response, primary and secondary frequency control;
- (2) Fast response dispatchability to address sub-hourly variability;
- (3) Flexible ramping to manage renewable fuel forecast and generation uncertainties;
- (4) Daily or seasonal management of overgeneration to maximize value of renewable energy; and,
- (5) Other services specifically required by grid operators to address grid needs directly driven by variable fuel reliance. A specific services-based approach would allow all technologies capable of providing one or more such services to participate and qualify as renewable energy integration resources.

Resource integration should *not* be defined, however, as a mandated resource or technology mix—a definition that would eviscerate a CCA’s right to deploy a procurement strategy that responds to local preferences and needs.

b. The Commission Should Not Mandate a CCA’s Resource Mix

The Commission should make clear that while CCA portfolios must meet statutory mandates and provide for the CCA’s self-procured share of renewable integration resources, CCAs are not otherwise required to propose a portfolio mix that conforms to the Staff’s optimal portfolio. Specifically, CCA portfolios may reflect a different, yet still compliant, resource mix more reflective of the CCA’s load profile, local preferences, or other directives of the CCA Governing Board. Individual CCAs have different locally mandated renewable and carbon-free procurement targets, local programs that aim at reducing energy consumption and transportation electrification, and varying proportions of residential and commercial loads. Under these circumstances, it is highly challenging for each CCA to provide a portfolio that conforms to the RSP resource mix.

NREL (2018) “Integrating High Levels of Variable Renewable Energy into Electric Power Systems,” available at <https://www.nrel.gov/docs/fy17osti/68349.pdf>.

2. Adhering to the Inputs and Assumptions of the Conforming Portfolio Will Present Technical Challenges

The Staff's Proposal would permit LSEs to produce only Conforming Portfolio(s) using their assigned load forecast.¹³ This means that LSE proposals would need to use the 2030 LSE-specific Greenhouse Gas (GHG) Emissions Benchmark, the LSE's assigned load forecast, and other RSP inputs and assumptions.¹⁴ While CalCCA understands the Commission's goals in standardizing inputs and assumptions to enable a consistent aggregated view of planning, in some cases, mandating conformity may not result in the most accurate view.

CCAs employ different planning constraints that may not reflect statewide assumptions. For example, some CCAs have 100 percent carbon-free goals that may push them toward a higher renewable portfolio standard (RPS) and carbon-free content than the RSP. Indeed, the balance between RPS and carbon-free resources may fluctuate over time in response to changing local government preferences. In addition, some CCAs aim to more closely align their demand with supply using demand-side tools and distributed energy resources (DERs). Their forecasts thus may diverge from the statewide planning assumptions relative to the California Energy Commission (CEC) load forecasts, which captures only programs funded by Public Purpose Program (PPP) funds. Likewise, some CCAs have more ambitious transportation electrification (TE) and fuel switching programs that will result in greater annual loads in future forecast years, again diverting from statewide planning assumptions.

The output of the IRP process will be more accurate and useful to the extent it more closely reflects actual expectations. The most effective way to balance the need for uniformity with LSE-specific strategy differences is to set the technical requirements upon which uniformity

¹³ Staff Proposal at A-14.

¹⁴ *Id.* at A-6.

will be based at a more general level. The Commission could, for example, specify the requirement based on emission levels and portfolio characteristics, rather than technology and resource-specific requirements.

At a minimum, the Commission should permit divergence from statewide standards to the extent it does not materially interfere with combining like-for-like with other portfolios. This will require a more detailed explanation from Staff regarding the specific technical problems encountered in aggregating plans for the 2017-2018 cycle to highlight areas with more or less flexibility for deviation. Importantly, however, the Commission should permit LSEs to more accurately reflect the percentage of clean resources they plan for their portfolios and changes to their load resulting from TE load growth, demand-side efforts, or other LSE-specific programs. Any LSE deviating from the RSP in these ways, however, should be required to substantiate its more refined assumptions.

3. Allowing LSEs to Present Non-Conforming Preferred Portfolios Provides Valuable Information

The Staff Proposal would permit LSEs to file only Conforming Portfolios, eliminating the Alternative Portfolio option employed in the 2017-2018 IRP cycle. The Staff Proposal explains that Staff found that “non-conforming portfolios were not very useful for aggregation.”¹⁵ As an initial matter, CalCCA recommends that the Staff work with LSEs to develop a shared understanding of the factors that prevented useful comparisons. Regardless of their usefulness for aggregation, however, non-conforming portfolios provide valuable information regarding LSEs’ actual procurement preferences, unconstrained by Commission directives and informed by LSE-specific information and assumptions.

¹⁵ *Id.* at A-13.

Non-conforming portfolios reflect the inputs and assumptions that each LSE believes to be most accurate, based on each LSE’s more granular (and accurate) knowledge of its customers, programs, goals, and territory. LSEs may have better knowledge of local demographic and usage patterns, thus, more accurate regional load growth projections and load shapes. LSEs may also be more familiar with local geography and renewable generation shapes. Several CCAs are investing in professional, technical modeling expertise to better project local load projections for this section IRP cycle in an effort to match local needs to their portfolio planning. For these and other reasons, non-conforming portfolios provide a “bottom-up” picture of LSE’s preferred procurement, which at a minimum provides useful information to compare against portfolios selected in accordance with the Commission’s “top-down” RSP.

For these reasons, CalCCA recommends that rather than prohibiting non-conforming portfolios, the Commission should focus on ways to: 1) more efficiently aggregate non-conforming portfolios; and 2) otherwise utilize the inputs and assumptions from non-conforming portfolios to develop future RSPs that more accurately reflect the power supply and energy demand of each LSE. Utilizing such information in the Staff’s development of RSP can also help Staff identify renewable integration needs and procurement actions in the future.

C. Question 3: Confidentiality

Comment on the proposed process to allow non-market participants access to the confidential version of filings by signing a standard non-disclosure agreement. If you do not agree with the proposal, propose an alternative method.

Staff makes three proposals regarding confidentiality of the data and information supporting IRP filings:¹⁶

¹⁶ *Id.* at A-14 – A-15.

- Maximize the amount of data supporting the IRP filings that is made available to the public;
- Require LSEs to file motion to file any confidential data under seal at the time the filings are made, detailing the reasons for keeping the materials confidentiality; and,
- Make a confidential version available to non-market participants on the required filing date.

While CalCCA does not object to the first two recommendations, the third recommendation presents unique problems for CCAs.

Although CCAs are subject to the California Public Records Act (PRA),¹⁷ some of the data underlying their IRP filings would not be subject to disclosure pursuant to specific exceptions provided in the Act. An exception exists for information provided confidentially to the Commission. The PRA maintains an exemption from the waiver provision only for disclosures “[m]ade to a governmental agency *that agrees to treat the disclosed material as confidential.*”¹⁸ There is no exemption that would extend to disclosure of the confidential information to “non-market participants.” As a result, unlike the result for other LSEs, release of the information to non-market participants by a CCA means making the information *publicly* available.

In the last planning cycle, most CCAs provided public versions of their submissions on their websites and sent the confidential versions to the Energy Division. CalCCA recommends adopting a similar approach for this cycle.

D. Question 4: Other

Comment on any other aspect of Section 2 of the Staff Proposal.

¹⁷ CAL. GOV. CODE §§ 6250, *et seq.*

¹⁸ *Id.* at § 6254.5(e) (emphasis added).

1. Definition of “Certify” (a Community Choice Aggregator Plan) and “Approve” (an IOU, ESP or CCA Plan)

The Staff Proposal defines “certify” in the context of the Commission’s obligation with respect to a CCA’s IRP filing. It provides:

Public Utilities Code 454.52(b)(3) requires the CPUC to certify the integrated resource plans of CCAs. “Certify” requires a formal act of the Commission to determine that the CCA’s Plan complies with the requirements of the statute and the process established via Public Utilities Code 454.51(a). In addition, the Commission must review the CCA Plans to determine any potential impacts on public utility bundled customers under Public Utilities Code Sections 451 and 454, among others.¹⁹

While the definition is generally headed in the right direction, CalCCA requests modifications to ensure statutory consistency.

California Public Utilities Code section 454.52(b)(3) requires that each CCA formally “submit” its integrated resources plan to its governing board “for approval” as consistent with the requirements of section 454.51(a). It further requires that each CCA “provide” its IRP to the Commission for “certification.” To adequately distinguish between the roles of “approval” and “certification,” CalCCA proposes to modify the definition, “certify” to read as follows:

“Certify” requires an act of the Commission confirming that the CCA’s IRP is consistent with the procedural requirements adopted by the Commission according to Section 454.52 and provides the information required by the Commission to develop its statewide portfolio and perform its statewide planning function.

The Staff Proposal also defines “approve” in the context of “an IOU, ESP or CCA plan”²⁰ stating:

[T]he CPUC’s obligation to approve an LSE’s integrated resource plan derives from Public Utilities Code Section 454.52(b)(2), in

¹⁹ Staff Proposal at A-5.

²⁰ *Id.*

addition to the CPUC obligation to ensure just and reasonable rates under Public Utilities Code Section 451.

This definition is in error. The Commission has no authority or obligation to “approve” a CCA’s integrated resource plan; section 454.52(b)(3) makes clear that approval of a CCA’s plan remains with the local government authority. In addition, the description of the activities under this definition, including the reference to section 454.52(b)(2) reasonable rates, apply only to IOUs, not to CCAs or ESPs. Consequently, the parenthetical following the definition should be modified to read: “(an IOU Plan),” striking the references to CCAs and ESPs.

2. Reference System Portfolio Resource Mix

The Staff Proposal states that “[i]f the Commission identifies a specific resource, mix of resources, and/or resource attributes from the Reference System Portfolio as necessary for renewable integration, the LSE must include its share of that resource.”²¹ As noted in Section A, above, the Staff Proposal does not define what “as necessary for renewable integration” means. The implication seems to be that a CCA must submit a plan that duplicates the Commission’s directed RSP resource mix on a proportional basis. This interpretation, however, would be contrary to the statute and would undermine the Legislature’s clear and repeated statements that CCAs should maintain procurement autonomy.²²

In addition, while section 454.51 *expressly* requires that “*electrical corporations*” submit portfolios that comply with the portfolio identified by the Commission, it *does not* extend that requirement to CCAs. Instead, CCAs are only expressly required to either pay nonbypassable charges for or self-provide their share of the renewable integration need identified in the Commission’s portfolio. Indeed, section 454.51 does not suggest that a CCA would be required

²¹ *Id.* at A-14.

²² *See* CAL. PUB. UTIL. CODE §§ 366.2(a)(5), 380(b)(5).

to duplicate a portfolio prescribed by the Commission; instead, it provides qualitative factors through which the Commission can assess whether a CCA has met its share of the renewable integration need.²³

To avoid running afoul of the statute, the Commission should, as CalCCA requests in Section A.1, define “renewable integration” resources to represent a particular subset of resources in the portfolio. In addition, among the Staff Proposal’s alternatives,²⁴ the Commission should focus on “*resource attributes*,” rather than “a specific resource” or a “mix of resources.” Focusing on how a portfolio serves the grid or climate goals, rather than on the technology or type of resources within the portfolio, better aligns with the goal of maintaining CCA procurement autonomy and encourages LSEs to pursue renewable integration strategies which meet both statewide and LSE goals.

III. QUESTIONS RELATED TO SECTION 3: TECHNICAL REQUIREMENTS

A. Question 5: Assigned Load Forecast

Comment on the proposal for assigning load forecasts to individual LSEs using the California Energy Commission’s (CEC’s) Integrated Energy Policy Report (IEPR).

The CEC’s “mid Baseline mid AAEE” version of the 2019 demand forecast²⁵ is a reasonable starting point, but the Commission should be flexible in the way in which the forecasts are applied. First, the loads of LSEs with peak loads below 200 megawatt (MW) may not be captured in the IEPR process. Similarly, energy efficiency programs administered by LSEs that do not utilize PPP funds would also not be captured in the IEPR forecast. Second, as discussed in response to Question 2, above, the Commission should allow LSEs to modify their

²³ *Id.* at § 454.51(d).

²⁴ Staff Proposal at A-14.

²⁵ *Id.*

load forecasts based on reasonable expectations arising from the LSEs' individual program goals. For example, LSEs aggressively pursuing TE and fuel switching likely will have load forecasts that diverge from the IEPR forecast in later years, as will peak shaving efficiency measures and demand response. LSEs thus should be able to modify their forecasts if they can provide a reasonable basis for the modification. This flexibility goes hand in glove with the Staff Proposal to allow LSEs to provide their own load shape in the Clean System Power calculator tool. Modified load profiles should be justified quantitatively with assumptions and methodologies consistent with what is technically and economically achievable, and should include documentation regarding the LSEs plan to implement its load modification strategy.

B. Question 6: Greenhouse Gas (GHG) Planning Price

Comment on the proposal to eliminate the GHG planning price as an option to demonstrate compliance with the 2030 planning target.

CalCCA offers no comment on this question.

C. Question 7: GHG Emissions Benchmark.

Comment on the proposal to apply the same methodology used in the previous IRP cycle to calculate the 2030 GHG emissions benchmarks for individual LSEs.

CalCCA supports this approach, subject to two conditions. First, the target and methodology must be consistent with the adopted methodology in D.18-02-018. Second, the expected January 2020 date for publication of the GHG emissions benchmark does not permit LSEs adequate time to effectively integrate them into their submissions. Because the GHG emissions benchmark is a primary metric in the review of LSEs' plans, portfolios are built to meet the benchmark. Failure to provide the value until January could cause an LSE to be required to reconstruct a portfolio in short order to make the April submission date.

CalCCA requests that the Commission publish provisional values in late November 2019, subject to a final adjustment of not more than 5 percent when the IEPR values are published.

Alternatively, if the Commission is not able to provide the benchmarks until January 2020, then the Commission should delay the date for LSE IRP submission to August 1, 2020 at the earliest.

D. Question 8: Reporting on IRP Planning Standards

Comment on the proposal to introduce planning standards, or metrics, to be reported by LSEs. Do you see value in requiring LSEs to report on specific planning standards? Why or why not?

CalCCA does not oppose adopting certain planning standards and metrics in principle, particularly to the extent these standards stay within statutory bounds. CalCCA provides comments on certain standards and metrics, including whether LSEs should be required to report on them, in response to later questions below.

E. Question 9: Use of IRP Planning Standards

Should planning standards be informational in this IRP cycle? Should the Commission consider using the planning standards in a future citation program? Why or why not?

CalCCA agrees with Staff's Proposal to treat planning standards as informational in this IRP cycle.²⁶ Whether the standards should be used in a future citation program, however, requires further evaluation.

As an initial matter, the scope of the Commission's authority to create a citation and penalty program is not clear, and the Commission should begin with legal briefing on the scope of such authority. Assuming such authority, however, CalCCA offers two recommendations.

First, where there are clear existing compliance obligations, such as the Commission's Resource Adequacy (RA) and RPS) programs, the Commission should refrain from creating

²⁶ *Id.* at A-17.

additional citation programs within the IRP program. Adding layers of compliance obligation and potential citations on top of these existing programs would create unnecessary administrative redundancy and burden for LSEs. Renewable Portfolio Standard penalties should remain within the RPS program, and RA penalties should remain within the scope of the RA program. Moreover, some of the analysis and metrics that Staff have chosen to use in the proposal may not be consistent with existing compliance programs. For instance, the proposed reliability assessment is based on load share instead of share of peak demand, which potentially renders the analysis result unreliable and unsuitable for citation.

Second, in other circumstances, CalCCA urges the Commission to consider the goals and intended results of a citation program if the Commission intends to adopt penalties in the future. The state's true policy goals and metrics are established by statute, including its GHG emission target/benchmarks, RPS goals, SB 100 GHG requirements, and Resource Adequacy. The Commission should ensure that the citation program is entirely aligned with the relevant statutory authority and does not undermine LSEs' abilities to achieve those goals. Any such program must also balance the need for and stringency of any such standards with the clear Legislative mandates requiring CCA procurement autonomy.

The topic raised by this question is far more important and complex than can be addressed in comments on the Staff Proposal. For the purposes of this exercise, the Commission should simply make clear that the standards will be informational for this planning cycle pending further exploration of enforcement mechanisms in a future proceeding.

F. Question 10: Areas for Planning Standards

Do you agree with the areas identified for planning standards? Are there other relevant areas that should be considered for planning standard development?

In general, the areas for planning standards seem reasonable but should be considered provisional pending a more detailed review following completion of this planning cycle. In addition, CalCCA offers comments on the proposed metrics in the standard-specific discussions below.

G. Question 11: Other

Comment on any other aspect of Section 3 of the Staff Proposal.

CalCCA has no additional comment on Section 3 of the Staff Proposal.

IV. QUESTIONS RELATED TO SECTION 4: LSE PLAN COMPONENTS

A. Question 12: Portfolio GHG Results

Comment on the proposed planning standard for the GHG benchmark and make any recommendations for improvement.

Greenhouse gas emissions should be measured not only by the LSE’s portfolio GHG mass emissions (MMT),²⁷ but should include a metric to measure GHG emissions intensity (kg/kWh). An intensity metric better accounts for beneficial electrification, which increases electric sector emissions while reducing total emissions. Because there is no statutory requirement for any LSE to achieve a certain level of mass GHG emissions or GHG intensity, however, the standard should not be employed in a citation program.

B. Question 13: Reported Contracted and Planned Resources

Comment on the proposed differences in filing requirements for resources expected to be online in the medium term (by 2026) compared to those expected in the long term (2027-2030).

The Staff Proposal would use the same “viability information” for resources already procured as requested in the July 12, 2019 Contract Information Data Request.²⁸ CalCCA has

²⁷ See *id.* at A-22 – A-23.

²⁸ *Id.* at A-23.

two concerns with the data request. It is unclear how the information requested will be used to assess the “viability” of contracted but not operational and planned resources and how such assessments would be used in the IRP process. Any methodology used to assess the viability of such resources should be developed in a transparent manner with full party participation. Further, the methodology should be developed first, and the specific data points to be used to assess viability should be determined by that methodology, not the other way around.

C. Question 14: IRP and RPS Plan Alignment

Do you have recommendations, beyond those already filed in the RPS rulemaking, regarding how to align the plans filed in IRP and RPS? Are there any examples of data tables that could be used to align the quantitative components of the two plans?

The IRP and RPS Plan templates currently require information about similar contract data, but there are different types of information and levels of detail (e.g., monthly vs. annual volumes) required between them. CalCCA proposes that opportunities be explored to define the data fields needed to form a master database from which the IRP and RPS templates can be populated. This simplified approach should improve efficiency of the process and the quality of the data that Staff receives.

D. Question 15. Local Air Pollutants

Comment on the proposed planning standard for local air pollutants and recommend any areas for improvement.

Criteria pollutant emissions should be measured not only by the LSE’s total portfolio mass emissions, but should include a metric to measure emissions intensity (kg/kWh). An intensity metric better accounts for beneficial electrification, which increases electric sector emissions while reducing total emissions. Because there is no statutory requirement for any LSE

to achieve a certain level of criteria pollutant emissions or intensity in its portfolio, however, the standard should not be employed in a citation program.

E. Question 16: Disadvantaged Communities

Comment on the planning standard for the focus on disadvantaged communities and recommend any areas for improvement.

Staff proposes to measure commitment to Disadvantaged Communities (DAC) customers using the “reported number of customers served 2018, 2019 and projected for 2020.”²⁹ CalCCA agrees that ensuring commitment to DAC customers is an important planning goal. Measuring success, however, by the population that happens to be located in an LSE’s area of service will not provide any information about an LSE’s commitment. Qualitative and quantitative information on programs and services targeting DACs would be a better indicator.

CalCCA recommends against adopting a planning standard for this planning component. Instead, LSEs that serve disadvantaged communities should provide information related to rates, programs, or resource procurement that aim to relieve environmental and economic burden on these communities. CalCCA also recommends against creating a citation program for this planning component, since the information LSEs provide will likely be qualitative, and there is no statewide standard that sets statutory goals for LSEs.

F. Question 17: Costs and Rates

Do you agree with the proposal to assess the cost and rate impact of planned resources based on the 2019 Inputs and Assumptions used on the modeling for the Reference System Portfolio? If not, what other mechanism would you suggest and why?

The Staff Proposal contemplates as a planning standard the “estimated cost of proposed planned resources based on 2019 I&A.”³⁰ The metric appears to be stated as total dollars per

²⁹ *Id.* at A-26.

³⁰ *Id.*

year and it appears to be assessed on an aggregated basis. While tracking this metric would provide interesting information, it would not be a metric appropriately addressed through an LSE-specific citation program. Moreover, the cost of a CCA's resources does not fall within this Commission's jurisdiction.

The Staff Proposal for the planned resources revenue requirement is similar to the planned resources cost standard, except that instead of measuring the investment cost of resources, it would measure the annual revenue requirement. Again, while tracking this metric would provide interesting information, it would not be a metric appropriately addressed through an LSE-specific citation program. Like costs, a CCA's revenue requirement does not fall within this Commission's jurisdiction.

G. Question 18: Hydroelectric Generation Risk

Comment on the proposal to address the requirements of Decision (D.) 19-04-040 related to in-state drought risk. Are there improvements to how LSEs can plan and support efforts to manage this system-level risk?

CalCCA supports the Staff Proposal's direction on this issue. Several CCAs are undergoing a joint planning process to further refine our assumptions about hydroelectric generation availability and risk, and the modeling results will inform each CCA's drought risk management strategy.

H. Question 19: Hydroelectric generation risk

Are there strong examples of risk management plans that LSES already provide publicly in relation to other topics or purposes, for which the approaches could be helpful here? Include citations, if possible.

See response to Question 18. CalCCA has no further response at this time.

I. Question 20: Resource Shuffling

Comment on the proposal to address the requirements of D.19-04-040 in relation to the potential for resource shuffling and recommend any areas for improvement.

CalCCA would like to see a more coordinated and transparent analysis effort between the California Air Resources Board (CARB) and the Commission to ensure that any findings related to resource shuffling accurately reflect CARB’s resource shuffling regulations. The results should be developed based on system-wide data that CARB has been collecting since the implementation of the cap and trade program. While LSEs are able to include assumptions about imports in the planning document, it is inappropriate to make any determinations and/or claims regarding emissions outside of the CAISO balancing authority area (BAA) or actual resource shuffling without CARB’s validation.

J. Question 21: Apportioning Reliability Targets

Do you agree with the proposal to use the IEPR to apportion the planning targets for the proposed reliability standards? Indicate pros and cons of any suggested alternative methods.

The Staff Proposal contemplates measuring an individual LSE’s contribution to system and local reliability based on “contracted and planned resources shortfall.”³¹ This metric relates to performance under the RA program, which has its own compliance requirements and penalty framework. Moreover, it appears that despite the use of peak demand measures to allocate RA requirements, Staff proposes to allocate the requirement for planning purposes based on an LSE’s share of retail sales to provide greater transparency in the planning exercise.

CalCCA submits that the retail-sales based analysis the Staff Proposal contemplates would not be a meaningful gauge of whether any individual LSE is satisfying its share of RA requirements. Moreover, it would be arbitrary to use the output of this analysis for purposes of any citation program, since it is only a very rough estimate of an LSE’s compliance. Finally,

³¹ *Id.* at A-23 – A-24.

CalCCA would object to any publication of these results, given the risk of misrepresenting—either over- or underestimating—an individual LSE’s compliance.

K. Question 22: Reliability Assessment/ESPs

Do you agree with the proposal for how to account for electric service providers as a group under the reliability assessments? Propose any alternatives and provide rationale.

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

L. Question 23: Reliability Assessment/Double Counting

Will LSEs be able to complete the “Example System Planning Capacity vs. Contracted and Planned Resources Table” without double counting resources? Explain.

CalCCA asks the Staff to clarify the concern related to double counting. Given that the resources are “planned,” it should be possible to ensure that all potential resources are only listed once in an LSE’s filing.

M. Question 24: Reliability Assessment/ELCC

Do you agree with the effective load carrying capacity assessment approach proposed under the system capacity requirement planning standard? Propose any alternatives and provide rationale.

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

N. Question 25: Reliability Assessment/LOLE

What threshold should Staff use to determine whether to conduct a loss-of-load expectation study on any specific year of an aggregated portfolio?

CalCCA supports performing Loss of Load Expectation (LOLE) studies for interim years within the IRP process to ensure sufficient lead time to identify necessary reliability needs.

Given that an LOLE threshold of 10 percent per year (or one event in 10 years) is the general standard, CalCCA recommends applying a 25 percent dead band, setting a final threshold LOLE level of 12.5 percent per year.

O. Question 26: Reliability Assessment/Local Capacity Areas

Comment on the LSE planning standard related to sufficient capacity in local capacity areas. Will it provide useful information for aggregation purposes? Propose any improvements.

See response to Question 21.

P. Question 27: Reliability Assessment/Other Planning Standards

Do you suggest any other reliability planning standards for LSE reporting? Describe analytical methods, necessary data, and modifications/improvements to existing tools to support the calculation. What additional information would the proposed standard(s) provide when assessing reliability, both for assessing the contribution of individual LSEs to system reliability and in the assessment of aggregated portfolios?

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

Q. Question 28: Resource Mix

Comment on the proposed planning standard for resource mix. Is there value in the LSEs reporting this standard? Suggest any improvements.

The Staff Proposal contemplates a metric that determines whether an LSE's plan accounts for the "resource mix identified in the optimal portfolio."³² As discussed above in Section II.D.1, while the Commission has the authority to make sure that CCAs provide their share of the necessary renewable integration resources, the Commission does not have the authority to mandate a detailed resource mix for CCAs or ESPs.

³² *Id.* at A-35.

In addition, conforming to RSP's resource mix is somewhat unrealistic and may impinge CCAs' abilities to meet procurement goals set by their local governing boards. Functionally, CCAs are located in areas with different load profiles, and have different procurement goals, some of which include DERs, which are highly dependent on local programs and resource availability. CCAs are committed to play an important role in maintaining grid reliability, and many CCAs are procuring resources that follow their demand, which may not adhere to the assumptions embedded in the RSP.

For these reasons, while this metric may provide interesting information, it is not a candidate for a citation program that would assess individual LSEs. The metric could be improved by using an evaluation of how portfolios meet certain attributes, rather than whether they contain certain resource mixes. For example, LSEs can describe their strategies for diversifying their portfolios to integrate their renewable procurement and ensure grid reliability, including information provided in their Request for Offers. Even an improved metric, however, should not be used in a citation program given the potential for misalignment with statutory boundaries.

R. Question 29: Resource Oversubscription

Comment on the proposed requirement for LSEs to identify transmission capacity it will rely on for each zone. Can this reporting requirement improve LSE planning activities? Suggest any improvements.

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

S. Question 30: Action Plans

The requirements for LSE reporting on action plans remain fairly unchanged from the 2017-2018 cycle. Suggest any modifications or clarifications to requirements under this section.

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

T. Question 31: Clean Net Short Calculator Tool

Comment on the proposed changes to the methodology and calculator tool. Are there other changes or modifications that should be considered?

CalCCA believes that modifications should be considered to ensure accuracy and efficiency and look forward to working with Staff to develop reasonable modifications.

U. Question 32: Clean Net Short Calculator Tool/SMUJU

Because the calculator tool is designed to reflect California Independent System Operator (CAISO) operations, it may not be appropriate for California LSEs that do not serve load within the CAISO. What alternative means of estimating GHG emissions should those LSES be required to use?

CalCCA provides no comments on this issue.

V. Question 33: Clean Net Short Calculator Tool/Load-Modifier Toggle

In order to include the load-modifier toggle described in section 4.e.i.4., Staff would need to obtain hourly data on load shapes for each year of the planning horizon, or at least for 2030. Where should this data be obtained? Are there other options for whether and how to incorporate such a feature?

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

W. Question 34: Other

Comment on any other aspect of Section 4 of the Staff proposal.

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

V. OTHER QUESTIONS

A. Question 35: Bundled Procurement Plans

What modifications to the IRP process, if any, should the Commission make to facilitate coordination with investor-owned utility bundled procurement plans, required by Public Utilities Code Section 454.5?

CalCCA provides no comments on this issue.

B. Question 36: Other

Provide any other additional comments and suggestions not already covered in the questions above.

CalCCA provides no comments on this issue at this time, although it reserves the right to address the issue at a later time as development of IRP submissions and discussion further inform its view.

VI. CONCLUSION

CalCCA appreciates this opportunity to provide input in the Commission's development of IRP filing requirements and requests consideration of the recommendations offered in these comments.

Respectfully submitted,



Evelyn Kahl
Counsel to the
California Community Choice Association

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