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

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.	R.20-11-003

COMMENTS OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION ON THE PROPOSED DECISION

Evelyn Kahl, General Counsel
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
(415) 254-5454
regulatory@cal-cca.org

Ann Springgate
KEYES & FOX LLP
580 California St., 12th Floor
San Francisco, CA 94104
(510) 314-8200
aspringgate@keyesfox.com

Counsel to the
California Community Choice Association

March 15, 2021

TABLE OF CONTENTS

TABLE OF AUTHORITIES

Other Authorities

Rules

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.	R.20-11-003

COMMENTS OF
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
ON THE PROPOSED DECISION

The California Community Choice Association[1] (CalCCA) submits these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure on the proposed *Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022* (Proposed Decision) issued on March 5, 2021.

I. INTRODUCTION

CalCCA appreciates the Commission's swift action to address potential reliability events. The Proposed Decision appropriately focuses immediate efforts on the expansion of demand-side solutions, including demand response activities, a new emergency load reduction program (ELRP), and establishment of critical peak pricing (CPP) programs. The Proposed Decision's

---

[1] California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy, Solana Energy Alliance, Sonoma Clean Power, Valley Clean Energy, and Western Community Energy.

application of the increased Planning Reserve Margin (PRM) directly to the IOUs – rather than to individual LSEs through 2021 RA requirements – will ensure procurement while avoiding unnecessary disruptions to an already tight RA market. CalCCA has a few concerns, however, with the Proposed Decision.

First, the Proposed Decision, while setting a lower "target" for procurement, essentially approves unlimited procurement for 2021 and 2022 without any rigorous analysis of needs. CalCCA encourages the Commission to limit the directives to 2021 and make the directives subject to a total cap at 150 percent of the targets. Any future procurement orders must be rooted in reliable analyses and appropriately bounded to ensure customers pay only for what is necessary for reliability.

Second, while CalCCA appreciates the Commission's interest in the implementation of critical peak pricing (CPP) programs by all load-serving entities (LSEs), it is unlikely that Community Choice Aggregators (CCAs) will be able to add new programs or expand existing programs for summer 2021. Moreover, as CalCCA explained in testimony, other barriers remain to implementation that have not been addressed. The Commission should realistically focus its efforts on solving these issues for program implementation beyond 2022. In the meantime, however, the Commission should better define the rules around CCA participation in other programs the Commission aims to adopt in this proceeding, namely the ELRP, to clarify how all eligible unbundled customers may participate in this program, what role CCAs would play in the administration of the program, and how costs will be allocated.

II. THE COMMISSION SHOULD LIMIT ITS CONCLUSIONS TO SUMMER 2021 AND CAP PROCUREMENT AT 150 PERCENT OF THE TARGET, RETURNING FOR 2022 TO PROCUREMENT ORDERS BASED ON FULL AND ACCURATE NEEDS ASSESSMENT

The Proposed Decision finds a need for incremental resources "to address grid needs during the system peak and net peak demand periods for summer 2021 and 2022 …."[2] The Commission then sets a low-side target for procurement of 1000 MW total, divided among the IOUs, but places no hard cap at the top.[3] While CalCCA supports this target for Summer 2021 in light of "emergency" conditions, extending the order to 2022 without rigorous analysis or a hard cap takes a step too far. The Commission's directives should be limited to Summer 2021 with a clear path to a more detailed, rigorous analysis of needs for Summer 2022. The directive should also be subject to a hard cap on total procurement.

CalCCA recommended an upper bound on any emergency procurement of 1073 MW, to be in place until further analysis establishes a more concrete analysis of need.[4] CalCCA therefore supports the Commission's proposed decision to increase the IOUs' PRM by 2.5 percent as a stopgap measure. This equates to a minimum procurement target of 450 MW for PG&E, 450 MW for SCE, and 100 MW for SDG&E, based on 2.5 percent of the CPUC jurisdictional share of CAISO peak load per the California Energy Commission's 2021 Integrated Energy Policy Report forecast.[5]

CalCCA does not, however, support the absence of a hard cap. The Proposed Decision provides no cap on total procurement, limiting only generation and front-of-meter resources to 150 percent of each IOU's target.[6] In fact, "IOUs are to consider their respective upper end

---

2 Proposed Decision, Finding of Fact 5, at 48.
3 *Id.*, Ordering Paragraph 11, at 66.
4 Exhibit CCCA-1 at 3.
5 Proposed Decision at 39.
6 *Id.* at 40.

targets as 'soft caps' for all resources authorized for procurement in this proceeding" except with respect to incremental supply side generation and in-front-of-meter storage resources.[7] But all new procurement – whether in front of or behind the meter – will come at a cost to customers. A total cap is therefore appropriate for 2021 and should be set at 150 percent of the lower bound target.

In addition, CalCCA continues to stress the need for further analyses before ordering procurement beyond 2021. CalCCA observed *nearly two years ago* that a more robust assessment than the stack analysis prepared by Staff was needed to have greater confidence in any procurement order.[8] The Proposed Decision, once again, relies roughly on a stack analysis, in this case one presented by CAISO.[9] CalCCA urged the Commission to authorize or direct a more suitable loss of load expectation analysis, as the only such analysis presented (by Southern California Edison) merits further review.[10] In fact, the existing loss of load expectation analysis does not support the conclusion reached by the stack analysis.[11] Similarly, the Commission's recent ruling the R.20-05-003, examining replacement of the Diablo Canyon Power Plan, once again relies on a stack analysis.[12] Due to recurrent "emergencies," deeper analysis continues to give way to back-of-the-envelope calculations. Ultimately, the Commission and CAISO will need to determine the correct PRM based on a judgment about the optimal and acceptable

---

7 *Ibid*.

8 *Opening Comments of California Community Choice Association on Assigned Commissioner and Administrative Law Judge Ruling Initiating Procurement Track and Seeking Comment on Potential Reliability Issues*, July 22, 2019, at 9-17. https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M310/K224/310224703.PDF

9 *Comments of the California Independent System Operator Corporation on Order Instituting Rulemaking Emergency Reliability*, November 30, 2020.

10 Exhibit CCCA-1 at 4.

11 *Id*. at 6.

12 *Administrative Law Judge's Ruling Seeking Feedback on Mid-Term Reliability Analysis and Proposed Procurement Requirements*, Feb. 22, 2021, at 9-10.

probability of an outage. A PRM that is too low will lead to outages which damage customers and economic activities, while a PRM that is too high results in wasted customer costs. Given the vast sums of money at stake, developing a PRM warrants a more rigorous analysis than the back-of-the-envelope analyses that have been conducted to date.

California customers are being asked to fund virtually unbounded procurement to address a need that has not been properly quantified. While there is little choice for summer 2021, surely there is adequate time before Summer 2022 to reconcile any inconsistencies in current analyses, and assess the progress made through the efforts taken this year. Any procurement ordered in the Commission's final order should be limited to 2021 and limited to 150 percent of the lower bound target procurement.

III. CCA CPPS ARE UNLIKELY TO BE IN PLACE BY SUMMER 2021

As noted, CCAs support the Commission's efforts to reduce the likelihood of reliability events to the extent practicable. It is unlikely, however, that CCAs will be positioned to implement or expand CPP programs for Summer 2021.

The Proposed Decision notes the Commission sees "an opportunity for CCAs and electric service providers (ESPs) to contribute to the reliability of the electric grid during peak demand days by proactively launching and expanding CPP programs."[13] Therefore, the Commission directs the IOUs to host a workshop on non-IOU CPP programs by April 7, 2021, to facilitate a peer knowledge exchange on the topic for summer 2021 and to identify barriers and solutions to non-IOU LSE program expansion.[14] In addition, the Commission "strongly encourages" CCAs and ESPs to take steps to launch or expand existing non-IOU CPP programs by summer 2021

---

[13] Proposed Decision at 15.
[14] *Ibid*.

(and by extension, summer 2022), and encourages non-IOU LSEs to conduct CPP program load impact and cost effectiveness studies after this summer to inform the development of policies to expand programs in summer 2022.[15]

Despite the support for CCA CPP programs, the Proposed Decision does not address the challenges CalCCA noted to further CPP development. For example, CCAs have encountered difficulty in receiving appropriate and accurate interval data from the IOUs necessary for the calculations to implement a CPP program.[16] To help alleviate this issue, CalCCA supported UCAN's proposal to require the IOUs to enter into Service Level Agreements with CCAs to enable the requisite data to be provided. Pioneer Community Energy also expressed concerns that the technical requirements for a CCA to implement CPP are complex, and in its case would require significant technical modifications, and a lengthy board approval process.[17] Finally, CCAs that so far implemented CPP-like programs are generally still reviewing the results of recently-implemented, small-scale programs.[18] The overall benefits of such programs, including load reduction, have yet to be fully analyzed and have not so far been implemented to scale.

CalCCA appreciates the urgency of the potential reliability needs this summer and intends to do what is in its power to continue to aid in efforts to strengthen the grid's reliability. CalCCA members welcome the opportunity to share knowledge with the IOUs and look forward to creating CPP programs or other load-shifting programs suited to their local service areas. However, the implementation issues raised will continue to impede CPP development. Thus, CalCCA urges the Commission to recognize that even with diligent effort, CCAs' adoption of full-scale CPP-like programs is unlikely to be immediate.

---

[15] *Ibid*.
[16] Exhibit CCCA-1 at 26.
[17] *Id*. at 25.
[18] *See Id*. at 26-29.

IV. CONCLUSION

CalCCA appreciates the opportunity to submit these comments and request adoption of the recommendations proposed herein. For all the foregoing reasons, the Commission should modify the Proposed Decision as provided herein.

Respectfully submitted,

Evelyn Kahl

EVELYN KAHL
General Counsel
California Community Choice Association

March 15, 2021