



**CALIFORNIA COMMUNITY CHOICE ASSOCIATION’S INFORMAL COMMENTS
ON THE RELIABILITY & OTHER FILING REQUIREMENTS FOR LOAD SERVING
ENTITIES’ 2022 INTEGRATED RESOURCE PLANS – APPROACH**

**MODELING ADVISORY GROUP (MAG) WEBINAR, ENERGY DIVISION
April 7, 2022**

The California Community Choice Association¹ (CalCCA) submits the following informal comments on the “*Reliability & Other Filing Requirements for Load Serving Entities’ 2022 Integrated Resource Plans – Approach*” Modeling Advisory Group Webinar (MAG Webinar),² held on April 7, 2022, and offers the following suggestions to the California Public Utilities Commission (Commission) to improve the efficacy of the Integrated Resource Plan (IRP) process.

**I. THE COMMISSION SHOULD MAKE CRUCIAL MODELING DATA
AVAILABLE IN JUNE TO GIVE LOAD SERVING ENTITIES (LSES) TIME
TO PLAN THEIR PORTFOLIOS**

During the MAG Webinar, the Commission stated that “the filing requirement assumptions that LSEs need for developing their 2022 IRP plans will be finalized by June 15, 2022.”³ The Commission further stated that “CPUC staff expects to finalize the 2022 Inputs and

¹ California Community Choice Association represents the interests of 23 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, 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, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

² MAG Webinar located at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2022-irp-cycle-events-and-materials/20220407-fr-and-reliability-mag-slides.pdf>

³ MAG Webinar at 9.



Assumptions (I&A) document, including the stakeholder process, by early/mid Q4 2022”,⁴ and that the LSE filings would be due November 1, 2022.⁵

While CalCCA acknowledges the IRP is a planning document subject to changing inputs and assumptions over time, it is important to recognize that any significant changes to planning assumptions between the release of the filing requirements in June and the release of the final I&A document in Q4 may materially impact the validity of LSE plans.⁶ To ensure the plans filed in November are the best possible approximation of requirements to meet the final PSP, CalCCA urges staff to finalize as many of the PSP I&A assumptions as possible prior to June 15th and align them with the provided filing requirements.

CalCCA therefore requests that the Commission provide a complete list of assumptions that will be finalized by June 2022. At a minimum, this list should include the following in order to help LSEs create their plans.

- Guidance on the simultaneous import limit that LSEs should assume at times of high system stress. As CalCCA has previously flagged in comments, the Commission uses 4 gigawatts (GW) in its modeling, whereas the California Independent System Operator Corporation (CAISO) uses 5.5 GW.⁷ The Commission should work with the CAISO to resolve the discrepancy and clarify the simultaneous import limit that stakeholders should use in their modeling.
- Clarity on the level of annual Planning Reserve Margin (PRM) that will be the basis of the reliability check for the plans.

⁴ MAG Webinar at 10.

⁵ *Id.* at 12.

⁶ CalCCA has previously flagged this timeline issue in comments. *See California Community Choice Association’s Comments on the Proposed Decision Adopting 2021 Preferred System Plan*, R.20-05-003 (Jan. 14, 2022), at 10-11. “The PD Should Be Modified to Require Planning Standards to be Provided Earlier, and Allow LSEs at Least 180 Days After Receiving Final Planning Standards to Submit IRP Plans.”

⁷ *California Community Choice Association’s Comments on the Local Capacity Requirement (LCR) Final Working Group Report and Energy Division’s Loss of Load Expectation Study*, R.21-10-002 (Mar. 14, 2022), at 5-8.

- Transmission cost and availability, per Tables 37 (Transmission Availability and Cost in CAISO) and 39 (Transmission Costs for Out-of-State resources) in the last IRP cycle’s release of the I&A document.⁸
- Information that will allow LSEs to model Northern Nevada Geothermal as a candidate resource in their portfolios. This includes Effective Load Carrying Capacity (ELCC), resource availability, transmission constraints, transmission upgrade options, fixed operations and maintenance (O&M) costs, and variable O&M costs. The Commission should also add Northern Nevada Geothermal as a discrete Renewable Energy Solutions Model (RESOLVE) resource type in IRP templates.
- ELCC factors, by year, for both the required 30 Million Metric Ton (MMT) and 25 MMT portfolios.
- Clarification that the Commission will use both the 30 MMT and 25 MMT ELCC factors to evaluate reliability of the portfolio—*i.e.*, the template will calculate the LSE’s total Net Qualifying Capacity (NQC) under both a 30 MMT target and a 25 MMT target and ensure that both NQCs exceed the LSE’s load plus the PRM.
- Clarification on the timeline of the reliability check described above—*i.e.*, will this extend out to 2035, or for the next few years?
- Guidance on counting the NQC contribution of resources that do not have calculated ELCCs.
- An updated list of baseline resources, or, alternatively, confirmation that the 2021 Preferred System Plan (PSP) baseline list⁹ should be used.

II. THE COMMISSION SHOULD UPDATE THE IRP FILING TEMPLATES TO IMPROVE USABILITY AND REDUCE REDUNDANT REQUIREMENTS

CalCCA supports Energy Division’s proposal to update the IRP filing requirements,¹⁰ including the Resource Data Template (RDT), Narrative Template (NT), and the Clean System

⁸ *Inputs & Assumptions: 2019-2020 Integrated Resource Planning*. Located at: <https://files.cpuc.ca.gov/energy/modeling/Inputs%20%20Assumptions%202019-2020%20CPUC%20IRP%202020-02-27.pdf>, at 55 and 57.

⁹ Located at: https://files.cpuc.ca.gov/energy/modeling/Aggregated%20LSE%20Plans%20and%20Baseline%20and%20Dev%20Resources_V5.xlsx

¹⁰ MAG Webinar at 11-16.



Power (CSP) calculator, and offers the following specific suggestions for improvements on these materials.

First, the RDT should not require LSEs to enter data for short-term Resource Adequacy (RA) only (RA-only) or short-term Renewable Portfolio Standard (RPS) energy attribute contracts for 2022 and 2023. LSEs already submit RA contract information as part of their year-ahead filings in the RA process, which performs a reliability check by comparing an LSE's planned procurement with their contracting obligation. Similarly, LSEs already provide RPS contract information as part of the RPS proceeding. Thus, a separate RA and RPS check in IRP for those years is redundant. Additionally, a typical LSE may have thousands of rows of data representing these contracts, which include both purchases and sales. Gathering and entering data for all these short-term contracts is burdensome and creates unnecessary work filling out the template, with dubious analytical value. One community choice aggregator (CCA) shared that in their 2019 RDT, 120 of the 153 entered contracts were short-term and not indicative of long-term planning.

Second, the RDT should output a summary table of LSE new build that an LSE can quickly copy and paste into the inputs of the CSP tool. This will provide LSEs with clarity on which subset of RDT resources are appropriate to include in the CSP tool. For example, it is likely not appropriate for an LSE to include RA-only batteries in the CSP tool. This is because RA-only batteries do not necessarily charge and discharge at certain hours to perform energy arbitrage, meaning they do not have a material effect on an LSE's emissions.

Third, the Commission should request that LSEs combine both their 30 MMT and 25 MMT portfolios into a single RDT. This improves ease of use and helps with data entry and validation.

Fourth, the NT should include a section allowing LSEs to describe their building electrification and Electric Vehicle (EV) charging infrastructure investments above and beyond what is included in Integrated Energy Policy Report (IEPR). Currently these items are not fully captured in the statewide IEPR Forecast, which uses a simple load-share basis to estimate electrification and EV by LSE. These building electrification and EV efforts may lead to increases in electric sector emissions but drive overall emissions down – an important consideration in evaluating the performance of LSE activities.

III. THE COMMISSION SHOULD USE A PLANNING RESERVE MARGIN IN TERMS OF GROSS PEAK, NOT NET PEAK

At the MAG Webinar, Energy Division proposed to calculate “a perfect capacity (PCAP) based total reliability need (TRN), translate into a planning reserve margin (PRM) above median gross peak.”¹¹ CalCCA supports this “gross peak” approach. In a gross peak regime, the PRM will be based solely on operating reserves and load uncertainty, **not** the uncertainty of output from intermittent BTM resources such as load and batteries.¹² Because the gross peak PRM is agnostic to the uncertain amount of BTM solar and batteries available at peak, it would keep the PRM stable as the penetration of those resources increased over time—an outcome which is desirable for grid planners. Gross peak PRM is also fairer because it does not combine the effect of all the BTM uncertainty into a single coarse PRM number that applies to all LSEs, which effectively penalizes LSEs with lower penetrations of BTM resources. For example, an LSE with

¹¹ Mag Webinar at 57.

¹² BTM resources would be counted on the supply side. This implies that the Commission should separately calculate ELCC values for BTM solar, BTM battery, in-front-of-meter (IFOM) solar, and IFOM battery. In the RDT, these resources should be assigned those ELCC values to calculate their contributions to reliability.

no BTM resources would be forced to procure more, even though they did not cause any of the higher PRM.

Improving the durability of PRM should not, however, come at the expense of a significant administrative burden. The Commission could use several existing data sources for forecasting BTM resources. LSEs are required to report forecasted BTM installs, energy, and peak demand impact in Form 3 of the IEPR—for instance, the 2021 filing required entries through 2026. The Commission could ask for this data from the California Energy Commission and use it to build an allocation of statewide BTM. Also, starting in 2021, the CAISO started requiring LSEs to report hourly aggregated excess BTM volumes.¹³

The Commission could request a summary of these values from the CAISO and use them to allocate existing BTM between LSEs. The Commission could also use data from the Self-Generation Incentive Program Energy Storage Evaluation reports to calculate BTM storage dispatch.¹⁴

IV. IN THE RELIABILITY CHECK, THE COMMISSION SHOULD ASSIGN THERMAL RESOURCES A UCAP VALUE

The Commission should use the unforced capacity (UCAP) methodology to calculate capacity value for thermal resources, as CalCCA has previously explained in comments.¹⁵ UCAP uses *unit-specific* past performance to calculate each thermal resource’s contribution to

¹³ These volumes are “grid exports” and less than the BTM generator output which serves on-premise load as well.

¹⁴ For example, the 2019 Self-Generation Incentive Program Energy Storage Impact Evaluation report contains tables showing storage charge and discharge by hour. See p. 51, Figure 4-15: “Average Hourly Discharge (kWh) per capacity for nonresidential systems. Report located at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/self-generation-incentive-program/sgip-2019-energy-storage-impact-evaluation.pdf>.

¹⁵ *California Community Choice Association’s Reply Comments on Administrative Law Judge’s Ruling Seeking Comments on the Future of Resource Adequacy Working Group Report*, R.21-10-002 (Mar. 22, 2022) (CalCCA Reply Comments), at 11-13.



reliability, meaning it provides the most accurate possible data on a resource’s likely contribution to future reliability (in contrast to calculations at the resource class level, such as PCAP.) In addition, UCAP improves on the existing incentives for generator maintenance because it rewards generators for reducing their outage rates with a higher capacity value.¹⁶

V. THE COMMISSION SHOULD EVALUATE IF THE PROPOSED PROCUREMENT IN THE PSP IS REALISTIC, GIVEN THE CAISO INTERCONNECTION QUEUE

The CAISO publishes the interconnection queue, which should contain all resources that are planned to come online in the next few years (including many that will not, due to contract failure, etc.). The Commission should align the cap on MW/year in the PSP with the CAISO's expectations for granting deliverability, given these current interconnection queue constraints. In other words, in the near term, the Commission should not expect LSEs to procure at a rate faster than the CAISO can grant deliverability.

IV. CONCLUSION

CalCCA appreciates the opportunity to comment on the April 7, 2022 MAG Webinar and urges the Commission to consider the recommendations herein.

Date: April 21, 2022

/s/ Eric Little
Eric Little

Director of Regulatory Affairs
California Community Choice Association
(510) 906-0182 | eric@cal-cca.org

¹⁶ CalCCA Reply Comments at 12.