



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

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Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations.

R.21-10-002

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON E-MAIL
RULING ON COMMENT SCHEDULE FOR LOCAL CAPACITY REQUIREMENT
REPORT AND FLEXIBLE CAPACITY REQUIREMENT REPORT**

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SUMMARY OF COMMENTS

- The California Independent System Operator Corporation and the California Public Utilities Commission are taking important steps to reduce reliance on carbon-emitting resources in local areas. The California Community Choice Association encourages the continued study of the ability to reduce reliance on fossil fuel resources in local areas as soon as possible to ensure an orderly and reliable transition from reliance on fossil fuels in local areas at least cost.

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R.21-10-002

CALIFORNIA COMMUNITY CHOICE ASSOCIATION’S COMMENTS ON E-MAIL RULING ON COMMENT SCHEDULE FOR LOCAL CAPACITY REQUIREMENT REPORT AND FLEXIBLE CAPACITY REQUIREMENT REPORT

California Community Choice Association¹ (CalCCA) submits these Comments in response to the *E-Mail Ruling on Comment Schedule For Local Capacity Requirement Report and Flexible Capacity Requirement Report*,² dated April 10, 2023, and comments on *California Independent System Operator Corporation Draft 2024 Local Capacity Technical Report*, dated April 6, 2023.³

I. INTRODUCTION

The CalCCA appreciates the opportunity to comment on the California Independent System Operator’s (CAISO) Draft 2024 Local Capacity Requirements (LCR) Report (Draft Report). The Draft Report highlights the importance of studying local capacity areas in a manner

¹ California Community Choice Association represents the interests of 24 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, Energy For Palmdale’s Independent Choice, 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: <https://cal-cca.org/>.

² *E-Mail Ruling On Comment Schedule For Local Capacity Requirement Report and Flexible Capacity Requirement Report*, R.21-1-002 (Apr. 10, 2023) (Ruling): <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M506/K170/506170385.PDF>.

³ *California Independent System Operator Corporation Draft 2024 Local Capacity Technical Report*, R.21-10-002j (Apr. 6, 2023) (Draft Report): <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M505/K462/505462894.PDF>.

that ensures reliable operations under a zero-carbon grid as the state transitions away from its reliance on fossil fuel resources in local capacity areas. CalCCA encourages the continued study of the ability to reduce reliance on fossil fuel resources in local areas as soon as possible to ensure an orderly and reliable transition from reliance on fossil fuels in local areas at least cost.

II. THE CAISO AND THE COMMISSION ARE TAKING IMPORTANT STEPS TO REDUCE RELIANCE ON CARBON-EMITTING RESOURCES IN LOCAL AREAS

In the California Public Utilities Commission’s (Commission) Integrated Resource Planning (IRP) proceeding (R.20-05-003), CalCCA and other parties recommended that the Commission, in coordination with the CAISO, begin explicitly studying the ability to reliably serve load in local areas and disadvantaged communities with reduced reliance on fossil fuel resources. Specifically, CalCCA requested that the next sensitivity portfolios transmitted from the Commission to the CAISO for study in the Transmission Planning Process (TPP) should contemplate the retirement of fossil fuel resources in the local areas.⁴ In response to these requests and to the direction in Senate Bill 887,⁵ which requires the Commission to look at ways to reduce reliance on non-preferred resources in local areas, the Commission states in its D.23-02-040:

The importance of planning for additional natural gas plant retirements has been a priority for us for some time and Commission staff have begun work to develop this type of analysis. The analysis is complex, and we commit to beginning a process for stakeholder input on it in 2023. If it is ready, we will include it in consideration for a sensitivity analysis in the next TPP cycle.⁶

⁴ *California Community Choice Association’s Reply Comments on Administrative Law Judge’s Ruling Seeking Comments on Electricity Resource Portfolios For 2023-2024 Transmission Planning Process*, Rulemaking (R.) 20-05-003 (Nov.10, 2022), at 3:
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M498/K526/498526150.PDF>.

⁵ Senate Bill No. 887 Consumer affairs:
https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202320240SB887.

⁶ Decision (D.) 23-02-040, *Decision Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) and Transmitting Electric Resource Portfolios to California Independent System Operator for 2023-2024 Transmission Planning Process*, R.20-05-003 (Feb. 23, 2023), at 78:
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M502/K956/502956567.PDF>.

The Draft Report highlights the importance of conducting this assessment as soon as possible. The ability to retire fossil fuel resources in local areas will depend on either (1) eliminating transmission constraints that limit the number of resources capable of serving load in the local area, or (2) bringing online enough effective carbon-free resources inside of the local area to replace the existing fossil fuel resources. The Draft Report shows that new transmission can significantly reduce local area requirements - requirements in the LA basin dropped by over 40 percent, from 7,529 megawatts (MW) in 2023 to 4,413 MW in 2024, due to new transmission.⁷ These results demonstrate that when cost-effective, new transmission can be extremely effective at reducing reliance on carbon-emitting resources inside the local area by increasing the ability to import clean resources outside the local area to load centers. Additionally, the CAISO indicates that it considered the ability of projects recommended in its 2022-2023 Draft Transmission Plan to reduce local capacity requirements and found that “there are 12 projects recommended for approval as reliability-driven and policy-driven that will increase the transmission capability into local areas.”⁸ Because local areas depend heavily on gas-fired resources, it will be critical for the CAISO and the Commission to identify when transmission can cost-effectively reduce LCRs to meet state policy goals. The CAISO and the Commission are on the right track and CalCCA encourages the continued study of the ability to reduce reliance on fossil fuel resources in local areas as soon as possible to ensure an orderly and reliable transition from reliance on fossil fuels in local areas at least cost.

⁷ Draft Report at 2 and 4: <http://www.caiso.com/InitiativeDocuments/Draft-2024-Local-Capacity-Technical-Report.pdf>.

⁸ Draft CAISO *2022-2023 Transmission Plan* (Apr. 3, 2023), at 102: <http://www.caiso.com/InitiativeDocuments/Draft-2022-2023-Transmission-Plan.pdf>.

III. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests consideration of the comments herein.

Respectfully submitted,

A handwritten signature in blue ink that reads "Evelyn Kahl".

Evelyn Kahl,
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CALIFORNIA COMMUNITY CHOICE
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April 19, 2023