



**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 REPLY COMMENTS  
ON THE PROPOSED DECISION**

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## SUMMARY OF RECOMMENDATIONS

- The California Public Utilities Commission (Commission) should modify the Proposed Decision (PD) to incorporate the multitude of party comments calling for explicit criteria to gauge success of the test year and readiness for implementation;
  - The Final Decision should maintain the direction in the PD that Energy Division develop Southern California Edison (SCE) *and* Clean Power Alliance's (CPA) LSE showing tools;
  - The Commission should ensure load serving entities (LSE) can show storage as single or multi-cycle, consistent with the resource's capabilities;
  - The Commission should ensure all data necessary to make showings are available to LSEs well in advance of the test year and, once the new framework is implemented, well in advance of each compliance year;
  - The Commission should allow resources with off-peak deliverability status (OPDS) to count towards energy storage charging sufficiency requirements;
  - The Commission must have a process within the slice-of-day (SOD) framework for counting resources that will come online mid-year;
  - The Commission should not adopt the California Independent System Operator's (CAISO) recommended change to the values the Commission will provide to the CAISO without modifications to capture the value variable energy resources (VER) provide in different hours; and
  - The Commission should balance testing a variety of load and resource patterns and limiting administrative burden of test year showings.
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## CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S REPLY COMMENTS ON THE PROPOSED DECISION

### I. INTRODUCTION

The California Community Choice Association (CalCCA) submits these reply comments pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure on the proposed *Decision on Phase 2 of the Resource Adequacy Reform Track*<sup>1</sup> (PD), dated March 3, 2023.

Parties' Opening Comments<sup>2</sup> highlight the critical need for robust test year criteria that will inform whether the SOD framework is ready for implementation and whether the parties that must comply with the new framework can do so in a reliable and cost-effective manner. These reply comments support and expand upon parties' recommendations to develop test year criteria and develop a process to ensure the SOD framework is ready for implementation, as well as the following:

- The Commission should modify the PD to incorporate the multitude of party comments calling for explicit criteria to gauge success of the test year and readiness for implementation;
- The Final Decision should maintain the direction in the PD that Energy Division develop SCE *and* CPA LSE showing tools;
- The Commission should ensure LSEs can show storage as either single or multi-cycle, consistent with the resource's capabilities;
- The Commission should ensure all data necessary to make showings are available to LSEs well in advance of the test year and, once the new framework is implemented, well in advance of each compliance year;
- The Commission should allow resources with off-peak deliverability status to count towards energy storage charging sufficiency requirements;
- The Commission must have a process within the SOD framework for counting resources that will come online mid-year;
- The Commission should not adopt CAISO recommended change to the values the Commission will provide to the CAISO without modifications to capture the value VERs provide in different hours; and
- The Commission should balance testing a variety of load and resource patterns and limiting administrative burden of test year showings.

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<sup>1</sup> *Proposed Decision on Phase 2 of the Resource Adequacy Reform Track*, Rulemaking (R.) 21-10-002 (Mar. 3, 2023): <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K991/502991728.PDF>.

<sup>2</sup> All references herein to party Opening Comments are to the March 23, 2023 Comments filed in this Rulemaking (R.) 21-10-002.

## **II. THE COMMISSION SHOULD MODIFY THE PD TO INCORPORATE PARTY COMMENTS CALLING FOR EXPLICIT CRITERIA TO GAUGE SUCCESS OF THE TEST YEAR AND READINESS FOR IMPLEMENTATION**

Many parties express concerns around the lack of specific criteria that will be used to define SOD viability and urge the Commission to expand test year activities to ensure the SOD framework will be successful.<sup>3</sup> Middle River Power’s (MRP) expresses concern around the “lack of any explicit criteria to assess whether the test year successfully determined whether the SOD framework is ready to be deployed in 2025 and whether Energy Division, LSEs, suppliers and the CAISO can actually perform the tasks required so that framework adequately maintains reliability.”<sup>4</sup> CalCCA agrees. In particular, CalCCA is extremely concerned that the PD does not test whether the new SOD requirements can be met with the existing RA fleet.

The Western Power Trading Forum (WPTF) outlines a process requiring Energy Division to file reports on the readiness of SOD implementation, parties to file formal comments on the reports, and the ALJ or Assigned Commission to issue a ruling resolving any outstanding issues identified in the reports. WPTF’s process would also provide an opportunity to extend the SOD implementation date if the test year reveals a delay is necessary.<sup>5</sup> CalCCA supports WPTF’s proposal and requests the PD be revised to incorporate this process and the test year criteria outlined in CalCCA’s Opening Comments for the Commission to test (1) whether LSEs in aggregate can meet their requirement with the RA-eligible resources available under the new requirements and counting rules and (2) whether LSEs individually can meet their requirements with the level of transactability allowed under Commission decisions to date. If these criteria cannot be met, the Commission must either waive system RA penalties and begin a process to develop hourly load trading as previously proposed by CalCCA, or delay the implementation of SOD, as recommended by WPTF.

## **III. THE FINAL DECISION SHOULD MAINTAIN THAT ENERGY DIVISION FURTHER DEVELOP SCE AND CPA LSE SHOWING TOOLS**

SCE recommends the Commission not require incorporation of CPA’s logic into the LSE showing tool because a “carve out for single cycle energy storage” is “unnecessary” and “unlikely to help LSEs.”<sup>6</sup> The Commission should reject SCE’s recommendation. SCE’s comments misrepresent

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<sup>3</sup> Green Power Institute at 3, MRP Opening Comments at 11, Pattern Opening Comments at 4, Shell Opening Comments, and WPTF Opening Comments at 4-7.

<sup>4</sup> MRP Opening Comments at 11.

<sup>5</sup> WPTF Opening Comments at 4-7.

<sup>6</sup> SCE Opening Comments at 6.

the capabilities of the CPA logic. CPA's tool would make showings' consistent with resource capabilities and reduce burdens on LSEs, *while not precluding LSEs from showing storage for multiple cycles*. Rather than rejecting CPA's logic, as SCE proposes, the Commission should adopt CalCCA's recommendation to develop a workshop process for parties to fully vet and develop both tools.

**IV. THE COMMISSION SHOULD ENSURE LSES CAN SHOW STORAGE AS SINGLE OR MULTI-CYCLE, CONSISTENT WITH THE RESOURCE'S CAPABILITIES**

SCE also proposes the Commission default the battery storage in the Master Resource Database (MRD) to two cycles per day rather than one because "unless limited by contractual agreements that are binding on CAISO market operations, the resource should be allowed to show for multiple cycles per day provided that the LSE shows sufficient excess energy and time between discharge cycles to charge the battery."<sup>7</sup> The default value for storage is secondary to the need to allow resources to flexibly choose by month whether they are single or multiple cycle. This is because contracts may allow the number of cycle to vary by month. Therefore, regardless of how energy storage is reflected in the MRD as a default, the Commission must allow LSEs to show storage as either single cycle or multi-cycle on a monthly basis consistent with contractual limitations.

**V. THE COMMISSION SHOULD ENSURE ALL DATA AND TOOLS NECESSARY TO MAKE SHOWINGS ARE AVAILABLE TO LSES WELL IN ADVANCE OF THE TEST YEAR AND, ONCE THE NEW FRAMEWORK IS IMPLEMENTED, WELL IN ADVANCE OF EACH COMPLIANCE YEAR**

American Clean Power-California (ACP-California) expresses concern that the process for using modeling data for newly developed resources like offshore and out-of-state wind lacks clarity. To remedy this, ACP-California recommends, "... the Commission update the PD to specify the IRP modeling data set(s) and schedule for providing modeled data information ahead of the test year."<sup>8</sup> CalCCA agrees with ACP-California that the Commission must provide additional certainty prior to the test year to provide sufficient time for LSEs to test their portfolios against the new requirements. The Commission must develop a schedule for providing this data, *and all other data and tools necessary for LSEs to make their showings* at least three months prior to the first showing. For the test year, this would mean the Commission would provide the final MRD, exceedances, and LSE showing tools by August 30<sup>th</sup>. Once the new framework is implemented, the Commission should continue to finalize data and tools well in advance of each compliance showing.

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<sup>7</sup> SCE Opening Comments at 6-7.

<sup>8</sup> ACP-California Opening Comments at 3.

**VI. THE COMMISSION SHOULD ALLOW RESOURCES WITH OFF-PEAK DELIVERABILITY STATUS TO COUNT TOWARDS ENERGY STORAGE CHARGING SUFFICIENCY REQUIREMENTS**

IEP recommends the Commission allow resources with OPDS to count towards the charging sufficiency requirement for stand-alone energy storage, in addition to resources with full, partial or interim deliverability status, because OPDS resources “...can reliably deliver energy to energy storage systems during *off-peak* hours.”<sup>9</sup> CalCCA agrees with IEP that OPDS resources should be able to count towards the storage charging sufficiency requirement. The CAISO has studied these resources and determined they are deliverable during off-peak times, when stand-alone storage resources would be charging. The Commission should therefore have a process for counting OPDS resources toward the energy storage charging sufficiency requirement in off-peak slices.

**VII. THE COMMISSION MUST HAVE A PROCESS WITHIN THE SOD FRAMEWORK FOR COUNTING RESOURCES THAT WILL COME ONLINE MID-YEAR**

PG&E recommends the Commission modify Appendix A of the PD to “... contemplate a process for the annual filing for resources that have not come online yet and therefore are not on the master resource database.”<sup>10</sup> PG&E suggests including an “under-construction” tab in the master resource database (MRD), like the one included in the net qualifying capacity (NQC) list, to reflect resources that will not come online as of the date of the annual filing.<sup>11</sup> CalCCA agrees with PG&E and recommends the Commission modify the PD, consistent with current practices, to allow LSEs to show resources that have not come online by the date of the annual filings but will come online during the compliance year.

**VIII. THE COMMISSION SHOULD NOT ADOPT THE CAISO’S RECOMMENDED CHANGE TO THE VALUES THE COMMISSION WILL PROVIDE TO THE CAISO WITHOUT MODIFICATIONS TO CAPTURE THE VALUE VERS PROVIDE IN DIFFERENT HOURS**

The CAISO expresses concern with the Commission providing it with the average exceedance value across the availability assessment hours (AAH) to establish the net qualifying capacity (NQC) list because using these values for CAISO compliance “could result in discrepancies between the Commission and CAISO compliance checks at peak.” This could then result in LSEs meeting system requirements at the CAISO but not meeting the Commission’s SOD requirements.<sup>12</sup> The CAISO recommends instead that the Commission provide the CAISO with the minimum hourly exceedance

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<sup>9</sup> IEP Opening Comments at 4.  
<sup>10</sup> PG&E Opening Comments at i.  
<sup>11</sup> PG&E Opening Comments at 4-5.  
<sup>12</sup> CAISO Opening Comments at 7.

value across the AAHs.<sup>13</sup> The Commission should not adopt this recommendation. Doing so would effectively value all solar resources at zero given the AAHs extend after sunset, ignoring the value they provide in earlier hours. If the Commission modifies the PD to address CAISO's concerns, it should do so by providing two values for CAISO validation, one that includes hours where solar is producing and one that includes hours after sunset.

**IX. THE COMMISSION SHOULD BALANCE TESTING A VARIETY OF LOAD AND RESOURCE PATTERNS AND LIMITING ADMINISTRATIVE BURDEN OF TEST YEAR SHOWINGS**

The Center for Energy Efficiency and Renewable Technologies (CEERT) and the Natural Resources Defense Council (NRDC) recommend the Commission test the summer months (July, August, and September) in addition to the test year months included in the PD (March, June, and September) because the system is most stressed during the summer months.<sup>14</sup> CalCCA agrees that it is important to test the SOD framework when the system is stressed. However, as the PD indicates, it is also important to limit the administrative burden on LSEs and Energy Division,<sup>15</sup> so that adequate attention to detail can be paid to each test showing and to the functionality of the showing tools. Additionally, it is important for the Commission to test a variety of seasons given the differences in load patterns and wind and solar profiles in each season. To balance all these objectives, CalCCA recommends the Commission test February (winter), April (spring), and September (summer).

**X. CONCLUSION**

CalCCA appreciates the opportunity to submit these comments and requests adoption of the recommendations proposed herein.

Respectfully submitted,



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ASSOCIATION

March 28, 2023

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<sup>13</sup> *Id.*

<sup>14</sup> CEERT Opening Comments at 2 and NRDC Opening Comments at 1.

<sup>15</sup> PD at 71.