



**CALIFORNIA COMMUNITY CHOICE ASSOCIATION
INFORMAL COMMENTS ON THE SLICE OF DAY PLANNING RESERVE MARGIN
CALIBRATION TOOL AND THERMAL AMBIENT DERATES WORKSHOP
October 25, 2023**

I. INTRODUCTION

The California Community Choice Association¹ (CalCCA) appreciates the opportunity to comment on the Slice of Day (SOD) Planning Reserve Margin (PRM) Calibration Tool and Thermal Ambient Derates workshop (Workshop) held on October 25, 2023, and the presentation: *Resource Adequacy Slide of Day Translation Tool and Update to Thermal Derate Model.*²

CalCCA offers the following recommendations in the comments below:

- After incorporating parties' informal comments into the SOD PRM Calibration Tool, the Commission should use the updated tool to develop a draft PRM and effective PRM calibrated for SOD for the 2025 Resource Adequacy (RA) year and provide it to stakeholders with the February 1, 2024 report ordered in D.23-04-010³ for their review and comment;
- To calibrate the effective PRM, Energy Division should use the same methodology it uses for the PRM; and
- The Commission should provide increased transparency about what is procured by the investor-owned utilities (IOU) for the effective PRM so that stakeholders have a better understanding of what portion of the RA supply stack was used for the effective PRM and whether those resources could have otherwise served to meet LSE compliance obligations.

¹ California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster 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 *Resource Adequacy Slide of Day Translation Tool and Update to Thermal Derate Model*, Energy Division, October 25, 2023: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/resource-adequacy-history/r2310011sodtranslationtoolthermalderatemodel.pdf>.

³ Decision (D.) 23-04-010, *Decision on Phase 2 of the Resource Adequacy Reform Track*, R.21-10-002 (Apr. 6, 2023) at O¶ 19: <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M505/K753/505753716.PDF>.



II. COMMENTS

Energy Division presented the results of the SOD translation tool using inputs from the February 2023 and October 2023 loss of load expectation (LOLE) studies. Using the February 2023 inputs, the SOD PRM was 6.2 percent. Using the October 2023 inputs, the SOD PRM was 7.3 percent. During the Workshop, Energy Division identified a potential error in the tool and parties asked a series of questions on the methodology used to translate the PRM, especially around the assumptions used for energy storage. Energy Division indicated that following the Workshop, it would send load-serving entities (LSE) revised templates to use in their November test year filings using the updated SOD translation tool revised to fix any errors and incorporate stakeholder feedback as necessary.

After incorporating parties' Workshop feedback and informal comments into the SOD PRM Calibration Tool, the California Public Utilities Commission (Commission) should use the updated tool to develop a draft PRM and effective PRM calibrated for SOD for the 2025 RA year with an opportunity for stakeholder review and comments. The Commission should include this draft PRM and effective PRM calibration in the February 1, 2024 report ordered in D.23-04-010. Energy Division should then make any necessary adjustments based upon stakeholder feedback early in 2024. The Commission should aim to provide the 2025 PRM and effective PRM as early as possible in 2024 so that LSEs have certainty about their requirements for the first SOD compliance year. While the development of the PRM translations and LSE templates has necessarily been an iterative process leading up to the test year, LSEs require certainty leading up to the first compliance year around the tools they will use to demonstrate compliance and the PRM they will need to meet.



To calibrate the effective PRM, Energy Division should use the same methodology it uses for the PRM. D.23-06-029⁴ adopted a 17 percent PRM and a 1,700 to 3,200 megawatts (MW) effective PRM for RA year 2024 and 2025. While the effective PRM was based on a MW target rather than a percentage, the Decision indicates that the effective PRM target MW range translated to a percentage of roughly 4-6.5 percent.⁵ It should be noted that the effective PRM may be less under SOD on a percentage basis than it is under the current RA structure. This is due to the fact that resource counting is more accurate to the anticipated output of the resource thus eliminating the counting of resources in RA Net Qualifying Capacity in hours in which they are not expected to produce any output. The Commission should release the draft effective PRM along with the draft PRM in the February 1, 2024 report.

The February 1, 2024 report should also be accompanied by a proposal for increased transparency about what is procured by the IOUs for the effective PRM so that stakeholders have a better understanding of what portion of the RA supply stack was used for the effective PRM and whether those resources could have otherwise served to meet LSE compliance obligations. This should include by resource ID⁶ if applicable (or the intertie for a non-resource specific import) the product purchased, the duration of the contract, the quantity purchased, when the contract began negotiation, and the date it was entered into. All of this data will help inform LSEs about the types

⁴ D.23-06-029, *Decision Adopting Local Capacity Obligations for 2024-2026, Flexible Capacity Obligations for 2024 and Program Refinements*, R.21-10-002 (June 29, 2023): <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M513/K132/513132432.PDF>.

⁵ *Id.* at 24-25.

⁶ Resource ID is defined in CAISO Tariff Section Appendix A: <https://www.caiso.com/Documents/AppendixA-MasterDefinitionSupplement-asof-Nov1-2023.pdf>.



and quantities of resources and whether the effective PRM contracts of the IOUs impacted the ability of other LSEs to meet minimum compliance obligations.

IV. CONCLUSION

CalCCA appreciates the opportunity to comment on the *Resource Adequacy Slice of Day Translation Tool and Update to Thermal Derate Model* and urges the Commission to consider the recommendations herein.

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(Original signed by)

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