

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

Order Instituting Rulemaking to Develop  
Additional Methods to Implement the California  
Renewables Portfolio Standard Program

Order Instituting Rulemaking to Continue  
Implementation and Administration of the  
California Renewables Portfolio Standard  
Program.

Rulemaking 06-02-012  
(Filed February 16, 2006)

Rulemaking 08-08-009  
(Filed August 21, 2008)

**POST WORKSHOP REPLY COMMENTS OF  
THE CALIFORNIA WIND ENERGY ASSOCIATION**

Nancy Rader  
Executive Director  
California Wind Energy Association  
2560 Ninth Street, Suite 213A  
Berkeley, California 94710  
Telephone: (510) 845-5077  
Email: [nrader@calwea.org](mailto:nrader@calwea.org)

May 12, 2010

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

Order Instituting Rulemaking to Develop  
Additional Methods to Implement the California  
Renewables Portfolio Standard Program

Rulemaking 06-02-012  
(Filed February 16, 2006)

Order Instituting Rulemaking to Continue  
Implementation and Administration of the  
California Renewables Portfolio Standard  
Program.

Rulemaking 08-08-009  
(Filed August 21, 2008)

**POST WORKSHOP REPLY COMMENTS OF  
THE CALIFORNIA WIND ENERGY ASSOCIATION**

In accordance with the established schedule, the California Wind Energy Association (“CalWEA”) submits this limited reply to some of the discussion that has taken place on TREC’s and delivery issues. Specifically, we respond to the suggestion made by the California Independent System Operation (“CAISO”) that a limitation on TREC’s will reduce the geographic diversity of renewable energy supply, and we note that, if the Commission finds that real-time deliveries using firm transmission should qualify as bundled (which CalWEA supports), it should provide for the imbalance energy requirements that may be associated with these deliveries.

**1. Limiting TREC’s will not reduce the geographic diversity of renewable energy supply where it matters -- within a control area.**

At the Workshop, the CAISO made many of the same points that it made in its Response to the Petitions for Modification of D.10-03-021. Because the workshop was not recorded, CalWEA responds to the CAISO’s Response.

The CAISO correctly identifies the integration of a wider geographic diversity of variable renewable energy resources as an operational benefit:

[f]rom an operations perspective, a geographically diversified supply of renewable generation can help mitigate operational challenges posed by the intermittency of wind

and solar generation. Of particular importance in this regard is the greater diversity of weather conditions that exist over larger geographic areas during any given operating hour, and the impact of such weather diversity in reducing the aggregate variability of output of wind and solar generating resources. (CAISO Response at p. 3.)

The CAISO ignores several facts, however, when it expresses the concern that classifying shaped and firmed<sup>1</sup> transactions as REC-only transactions “may serve to limit the amount and geographic diversity of renewable energy imported into California.” (CAISO Response at p. 3.) First, geographic diversity is beneficial for operations only if the diversity is handled by the same Balancing Authority area (BAA) since the uncorrelated variability of output results in lower net variability within the control area. In contrast, importing variable renewable generation via firming and shaping keeps the diversity of renewables separated within different BAAs. When the CAISO states that “[a]llowing out-of-state resources that are firmed and shaped by their host balancing authority areas can provide significant operational, cost and environmental policy benefits” (pp. 4-5), it is merely extolling the benefits of shifting the operational challenges away from the CAISO and to the host balancing authorities that are significantly less able than CAISO to manage such integration, as we noted in our initial response.

Although the CAISO complains about the operational challenges of dynamic transfers (CAISO Response at p.4), those operational challenges are likely to be mitigated as compared to directly interconnected renewables, since dynamically transferred resources will offer greater geographic diversity. Hence, by classifying dynamic transfers as bundled products, the Decision promotes the goal of integrating a wider geographic diversity of variable renewable energy resources into the same control area.

Therefore, the CAISO’s argument that the Decision somehow prevents the mitigation of operational challenges through geographic diversity is simply not valid. We urge the CAISO to embrace the operational challenges presented by renewables, as their counterparts in Texas and Europe have done, rather than try to shift them to smaller balancing authorities with fewer capabilities to address them.

In any case, we agree with the CAISO that, “[a]t this time, it is unclear if and/or when dynamic transfers for intermittent renewable generation will be available in any significant

---

<sup>1</sup> That is, transactions that (1) do not have a first point of interconnection with a California balancing authority (“BA”); or (2) do not dynamically transfer renewable energy to a California BA. (CAISO Response at p. 2.)

quantity.” (CAISO Response at p. 5.) As we stated in our pre-workshop comments, even if the CAISO were to establish workable rules, making use of dynamic transfers will require wind generators to obtain firm transmission around the clock, and there is an extreme lack of such transmission currently available or clearly foreseeable.

**2. Real-time deliveries using firm transmission should be able to use imbalance energy.**

CalWEA agrees with various suggestions that the Commission should allow energy and REC transactions to be considered bundled if the resource delivers energy from the facility into a California Balancing Area Authority (CBAA) in real-time using firm transmission and no substitute energy. The commission should, however, provide for the limited amount of substitute energy that may be necessary to address scheduling imbalances, where negative imbalances are offset by positive imbalances.

Imbalance energy provides a means of truing up generation different from what is forecasted and scheduled in a given hour. Imbalance energy is routinely provided by local Balancing Authorities and is defined in the tariffs of the Balancing Authorities.

This modest change would enable any intermittent-resource projects that do have economical access to firm transmission to provide direct deliveries. It will also promote much needed west-wide transmission development, particularly development of HVDC lines into California Balancing Authority substations, which, among other numerous benefits, would promote direct delivery of renewables into California.

Respectfully submitted,

/s/ Nancy Rader

Nancy Rader  
Executive Director  
California Wind Energy Association  
2560 Ninth Street, Suite 213A  
Berkeley, California 94710  
Telephone: (510) 845-5077  
Email: [nrader@calwea.org](mailto:nrader@calwea.org)

May 12, 2010

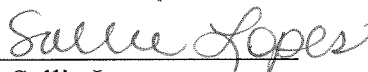
## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the

**POST WORKSHOP REPLY COMMENTS OF  
THE CALIFORNIA WIND ENERGY ASSOCIATION**

on all known parties to R.06-02-012 and R.08-08-009 by sending a copy via electronic mail and by mailing a properly addressed copy by first-class mail with postage prepaid to each party named in the official service list without an electronic mail address.

Executed on May 12, 2010, at San Francisco, California.

  
Sallie Lopes