

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

Order Instituting Rulemaking to Continue  
Implementation and Administration, and  
Consider Further Development, of California  
Renewables Portfolio Standard Program.

Rulemaking 18-07-003  
(Filed July 12, 2018)

**COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
ON PROPOSED DECISION ON 2019 RENEWABLES PORTFOLIO STANDARD  
PROCUREMENT PLANS**

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***On behalf of the California Wind  
Energy Association***

December 9, 2019

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**I. INTRODUCTION**

In accordance with the instructions accompanying the November 19, 2019, Proposed Decision of Administrative Law Judge Thomas on 2019 Renewables Portfolio Standard Procurement Plans (“Proposed Decision” or “PD”) and Rule 14.3 of the Commission’s Rules of Practice and Procedure, the California Wind Energy Association (“CalWEA”) submits these opening comments.

In summary, CalWEA is generally supportive of the Proposed Decision – particularly its provisions that aim to ensure timely achievement of Renewables Portfolio Standard (“RPS”) requirements, but requests correction of misstatements relating to estimating curtailment rates and modification to that section of the PD.

**II. THE PROPOSED DECISION APPROPRIATELY ADDRESSES CONCERNS REGARDING RPS COMPLIANCE**

The PD expresses appropriate concerns regarding the lack of information and detail in the RPS Plans of numerous Community Choice Aggregators (“CCAs”), and whether numerous CCAs are on track to meet their RPS requirements, including their long-term contracting requirements. PD at Section 12. We support the PD’s position that the Commission will not accept as final the Plan of any CCA with missing or incomplete data enumerated in Tables 5, 6 and 7 of the PD.

CalWEA is particularly appreciative that, in response to the proposals of numerous CCAs and the responses of CalWEA and other parties to such proposals, the PD firmly dispels the notion that the Commission has the authority to relax the 65 percent long-term contracting requirement for any load-serving entity (“LSE”). PD at 57. We agree with the PD that the Commission does not have such authority. CalWEA strongly supports the PD’s directive to those LSEs whose draft Plans do not demonstrate compliance with the long-term contracting requirement to bring them into compliance or detail a path to achieving compliance in their final Plans. PD at 57-58.

CalWEA also appreciates the PD’s recognition (p. 62) that LSEs’ use of economic curtailment rights could reduce occurrence of reliability events and the PD’s stated expectation (p. 63) that all LSEs will provide a thorough analysis of their overall strategy for minimizing such risk to ratepayers.

### **III. THE COMMISSION SHOULD MODIFY THE PD TO CORRECT MISSTATEMENTS AND TO REQUIRE CONSIDERATION OF IRP DATA IN ESTIMATING CURTAILMENT RATES**

The Proposed Decision contains incorrect statements regarding CalWEA’s request that the Commission direct LSEs to use curtailment rates developed in the IRP process when developing their RPS plans. Correction of this information should lead to implementing CalWEA’s request.

First, the PD states (p. 61) that “Curtailment rate or frequency refers to how often the IOUs directed curtailment of contracted resources.” In fact, however, “curtailment rate” should refer more broadly to include the number of hours that each LSE should expect that its contracted resources will be curtailed, whether that curtailment is ordered by the LSE for economic reasons or by the CAISO to maintain reliability.

Second, the PD suggests (p. 61-62) that all curtailment is locational. (“[D]iscounting renewables that are likely to be curtailed could encourage LSEs to build new renewables in areas least subject to curtailment” and “...negative pricing and curtailment rates are locational...”). In fact, however, there are two types of curtailments: locational, resulting from transmission congestion, and system-wide, due to overgeneration conditions that arise when electricity supplies exceed demand. Both conditions typically result in market-based curtailment in

response to negative prices or exceptional dispatch by the CAISO to maintain reliability in the event of insufficient market-based curtailment.<sup>1</sup>

Based on its mischaracterization of curtailment issues, the PD rejects CalWEA's recommendation that the Commission direct LSEs to utilize curtailment rates developed in the IRP process, erroneously concluding that "because negative pricing and curtailment rates are locational, LSEs should analyze the impact of oversupply events on their individual resource portfolios to inform their procurement decisions."

CalWEA agrees that congestion-related, locational curtailments will be specific to the resources in an LSE's portfolio and their location, are not evaluated in the IRP process, and should be analyzed by each LSE. In addition, however, overgeneration-related curtailments affect the entire CAISO system and are estimated as part of the IRP process. The Commission should require LSEs to consider the technology-specific estimated overgeneration curtailment rates from the IRP process in their RPS procurement planning.<sup>2</sup> If an LSE uses its own estimates as well, it should be required to explain any different assumptions and results that it chooses to rely upon.

As CalWEA pointed out in its July 19, 2019, opening comments (p. 2-3), the draft procurement plans of many LSEs did not include any curtailment analysis, at least in the public versions of those documents, despite the Commission's new reporting requirement on curtailment frequency.<sup>3</sup> "Unanticipated curtailment" "beyond the control of the retail seller" is

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<sup>1</sup> See CAISO, "Curtailment Fast Facts" (2017). Available at: <http://www.caiso.com/Documents/CurtailmentFastFacts.pdf>

<sup>2</sup> Specifically, as CalWEA explained in its July 19, 2019, comments, LSEs should calculate the incremental curtailment rates for each technology by comparing curtailment rates in the IRP base case to those in the adopted 2030 IRP portfolio. (The incremental, or marginal, curtailment rate can be calculated by subtracting the values from the base case from the adopted case.) While technology-specific curtailment figures can readily be produced with minimal post-processing of the public IRP results, ideally the Commission would, in requiring their use, itself calculate and provide these values to the LSEs.

<sup>3</sup> The PD notes at p. 63 that "Curtailment frequency, cost, and forecasting requirements, as directed by Sections 399.13(a)(5)(B) and 399.15(b)(5), are a new reporting requirement for the 2019 RPS Procurement Plans submitted by ESPs and CCAs per the 2019 ACR." In addition, the Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2019 Renewables Portfolio Standard Procurement Plans, issued April 19, 2019, requires (at p. 20) a "description of quantitative analysis of forecast of the number of hours per year of negative market pricing for the next 10 years."

one of the few reasons listed in the RPS statute as a legitimate excuse for RPS non-compliance;<sup>4</sup> therefore, the Commission should require consideration of both locational and system overgeneration-related curtailment, with the latter informed by IRP curtailment figures.

Specifically, since the RESOLVE and SERVVM models have now been calibrated to produce consistent results, including overgeneration curtailment results,<sup>5</sup> the Commission should require all LSEs, particularly those whose plans did not include any reporting on curtailment frequency, to use the curtailment figures associated with the Proposed Reference System Plan for the 2019-20 IRP process issued on November 6, 2019, to inform their RPS Procurement Plans.<sup>6</sup>

#### IV. CONCLUSION

CalWEA respectfully requests that the Commission modify the Proposed Decision as discussed in Section III above, and as further elucidated in the Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs in the Appendix included below.

Respectfully submitted,

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***On behalf of the California Wind Energy Association***

December 9, 2019

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<sup>4</sup> Public Utilities Code Section 399.15(b)(5)(C).

<sup>5</sup> See CPUC Energy Division, “2019-20 IRP: Calibration and Validation with SERVVM production cost modeling” (October 4, 2019) at p. 9. Available at: <https://www.cpuc.ca.gov/General.aspx?id=6442459770>.

<sup>6</sup> It appears that curtailment metrics for the adopted Preferred System Portfolio from the 2017-18 IRP cycle are not available, since SERVVM modeling was not conducted on the adopted PSP. See D.19-04-040 at p. 108. Therefore, it is reasonable to use the results associated with the presently proposed Reference System Plan.

## APPENDIX

### **CALIFORNIA WIND ENERGY ASSOCIATION PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED DECISION ON 2019 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS**

The California Wind Energy Association proposes the following modifications to the Conclusions of Law and Ordering Paragraphs of the Proposed Decision on 2019 Renewables Portfolio Standard Procurement Plans, mailed in R.18-07-003 (RPS) on November 19, 2019 (“Proposed Decision”). Please note that added language is indicated by underlined type; removed language is indicated by strikethrough.

#### **PROPOSED CONCLUSION OF LAW:**

9. ~~IRP-generated curtailment values are too aggregated to provide guidance on individual LSEs’ procurement decisions and~~ LSEs should analyze the impact of locational- and system-oversupply events on their individual resource portfolios to inform their procurement decisions. Technology-specific rates of system-oversupply should be evaluated using curtailment rates produced in the IRP process.

#### **PROPOSED ORDERING PARAGRAPH:**

17. All Load Serving Entities shall analyze the impact of economic curtailment, overgeneration or oversupply events on their individual resource portfolios in their ~~future~~final 2019 Renewable Portfolio Standard Procurement Plans using technology-specific curtailment rates produced in the IRP process. Reliance on alternative estimation techniques should be explained and justified.

**VERIFICATION**

I, Nancy Rader, am the Executive Director of the California Wind Energy Association. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of “Comments of the California Wind Energy Association on Proposed Decision on 2019 Renewables Portfolio Standard Procurement Plans” are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 9, 2019, at Berkeley, California.

*/s/ Nancy Rader* \_\_\_\_\_  
Nancy Rader  
Executive Director  
California Wind Energy Association