BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years.	Rulemaking 17-09-020 (Filed September 28, 2017)

REPLY COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION ON RESOURCE ADEQUACY PROPOSALS AND WORKSHOP

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On behalf of the California Wind Energy Association

March 16, 2018

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I. INTRODUCTION AND SUMMARY

In accordance with the January 18, 2018, Scoping Memo and Ruling of Assigned Commissioner Randolph and Administrative Law Judge Allen, the California Wind Energy Association ("CalWEA") submits these reply comments on the March 7, 2018, Resource Adequacy ("RA") Program Track 1 comments filed by the parties. CalWEA responds only to comments pertaining to Effective Load Carrying Capacity ("ELCC") issues, including those of the Commission's Office of Ratepayer Advocates ("ORA"), Pacific Gas & Electric ("PG&E"), San Diego Gas & Electric ("SDG&E"), Southern California Edison Company ("SCE"), and The Utility Reform Network ("TURN").

II. COMMENTS ON ELCC ISSUES

ORA provides thoughtful comments on the topic of marginal vs. average approaches to determining ELCC values. (ORA at p. 13-15.) ORA recognizes the "planning uncertainty intrinsic to an average approach" but argues that, if a marginal approach is adopted, it is critical that other ELCC refinements – the treatment of BTM PV and the adoption of locational and technological categories – be adopted at the same time. Likewise, TURN (at p. 5) argues that changes to the ELCC method should be considered together and not piecemeal.

CalWEA agrees that these other refinements will have a substantial impact on the marginal ELCC values, and that therefore they should be adopted at the same time. However, these concerns should not be an excuse to delay the adoption of marginal ELCC values in Track 1, as the completion of the statutorily required transition to ELCC values is long overdue. Energy Division is entirely capable of generating ELCC figures once policy decisions are made, because it has the methodology, databases and technical procedures in place. Therefore, the Commission should make a decision on each of these factors in Track 1 (informed by a working group discussion if needed), enabling Energy Division to implement the ELCC methodology for application in 2019.

At a minimum, as PG&E suggests (at p. 1), the Commission should direct Energy Division to perform an "out-of-cycle" update to the ELCC values, addressing BTM PV, locational and technological factors, so that the updated values can be incorporated into the 2020 local capacity requirement and flexible capacity requirement studies. SDG&E (at p. 7) also seems to support this timeline.

SDG&E expresses concern (at p. 9) about the impact of retiring renewable resources on marginal ELCC values. However, this is a relatively minor concern, since the extent to which existing resources will retire is likely to be small in the near future, and therefore the impact on ELCC values will be limited. In addition, while this issue is worthy of consideration for its impact several years from now, it may be the case that the associated ELCC value adjustments would flow to both the older base of resources and new ones. Similarly, CalWEA agrees with ORA that the Commission should determine when the incremental NQC value of a resource should be reset (at the end of a contract or the resource's life). However, neither of these issues warrant holding up the adoption of vintaged ELCC values in Track 1 for application in 2019. Rather, these issues should be addressed in Track 2 or 3 or a future RA proceeding.

SDG&E argues (at p.8) that the ability of non-IOU LSEs to procure wind and solar resources using different evaluation criteria than the IOUs "creates challenges for IOUs during the procurement process" and, therefore, the CPUC should assert its authority to ensure that all CCA and DA providers utilize the same ELCC valuation methodology as IOUs for RPS procurement. CalWEA also supports the notion that all LSEs should use the same criteria for their RPS procurement in order to promote results that are consistent with IRP goals. However, it is not essential, for purposes of updating the ELCC methodology in Track 1, for the

Commission to have addressed this issue. This is because all CPUC-jurisdictional LSEs will have every incentive to use RA values consistent with the marginal methodology adopted by the CPUC. Otherwise, they will find themselves awarded lower RA credit from the CPUC than they assumed in procurement. SCE appears to share this view.[1]

CalWEA wholeheartedly agrees with SDG&E (at p. 8), however, that the Commission should urge the CAISO to adopt the ELCC methodology in its own Tariff and remove any language which defers to another LRA. All LRAs should be using the same, most accurate methodology to value RA, and the approach adopted by the Commission – particularly if it addresses all major factors as discussed above – will represent such a methodology. In addition, the CAISO should use ELCC values for its transmission deliverability assessment.

Respectfully submitted,

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[1] SCE states, at p. 4, that adopting ELCC across multiple planning proceedings "will provide correct incentives for wind and solar development and correct ELCC values for contracting and procurement across investor-owned utilities ('IOUs') and non-IOU load-serving entities ('LSEs')." (Emphasis added.)

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 "Reply Comments of the California Wind Energy Association on Resource Adequacy Proposals and Workshop" 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 March 16, 2018, at Berkeley, California.

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