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

COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION ON DRAFT 2021 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS

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On behalf of the California Wind Energy Association

July 30, 2021

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I. INTRODUCTION AND SUMMARY

Pursuant to the March 30, 2021, Assigned Commissioner and Assigned Administrative Law Judges' Ruling Identifying Issues and Schedule of Review for 2021 Renewables Portfolio Standard ("RPS") Procurement Plans ("ACR"), and the May 7, 2021, e-mail ruling of Administrative Law Judges Lakhanpal and Sisto, the California Wind Energy Association ("CalWEA") submits these comments on the draft 2021 RPS procurement plans filed by various retail sellers.

CalWEA's comments focus on the topic of "unanticipated curtailment" "beyond the control of the retail seller" because that is one of the few events listed in the RPS statute as a legitimate excuse for failing to comply with the RPS.[1] In determining whether a retail seller should be granted a waiver of RPS enforcement penalties due to conditions beyond the retail seller's control that prevented compliance, the Commission will need to consider whether an LSE's Minimum Margin of Procurement ("MMoP") included a reasonable amount of curtailment, among other factors.[2]

[1] Public Utilities Code Section 399.15(b)(5)(C).

[2] *Id.* at § 399.15(b)(5)(B)(iii).

CalWEA's review of certain plans[3] revealed that retail sellers may not be complying adequately with the Commission's directives to consider the potential for curtailment and operational flexibility (among other issues) when evaluating bids in their solicitations,[4] including "report[ing] their unique experiences and issues related to economic curtailment, as well as any actions and analysis needed to forecast curtailment events."[5] More generally, the Commission directed CCAs and ESPs to include more granular information regarding planning to demonstrate that that they will comply with the RPS requirements[6] and to support their plans with underlying assumptions, references, and citations.[7]

Based on CalWEA's review of the public versions of various RPS procurement plans, it appears that many of the plans may not be fully compliant with the ACR's directives. CalWEA urges the Commission to scrutinize the confidential, unredacted plans to determine whether retail sellers have fully complied with the ACR. In these comments, we highlight selected issues, organized into three areas of concern as follows:

<u>Comments regarding managing incremental procurement:</u>

- Retail sellers should analyze curtailment impact on a resource-differentiated basis and consider portfolio resource diversity as a curtailment mitigation measure.
- Retail sellers should properly forecast curtailment. For retail suppliers unable to conduct LSE-specific analysis, the Commission should require the use of curtailment rates derived from Integrated Resource Planning ("IRP") data and should consider supplying that data to LSEs.
- Retail sellers should explain how potential curtailment factors into their MMoPs or their incremental procurement process generally.

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[3] Resource limitations prevented CalWEA from a complete review of all 50-some RPS plans, each of which is voluminous. CalWEA reviewed a sampling of procurement plans: Apple Valley Community Energy ("AVCE"), Central Coast Community Energy ("CCCE"), Desert Community Energy ("DCE"), East Bay Community Energy ("EBCE"), Pioneer Community Energy ("Pioneer"), Pacific Gas & Electric Co. ("PG&E"), Peninsula Clean Energy ("PCE"), Redwood Coast Community Energy ("Redwood Coast"), San Jose Clean Energy ("SJCE"), Solana Energy Alliance ("Solana"), and City of Santa Barbara ("Santa Barbara"), Sonoma Clean Power Alliance ("SCPA") and Southern California Edison Company ("SCE").

[4] ACR at p. 26. At footnote 25, p. 20, the ACR anticipates that LSEs might use stochastic modeling to evaluate curtailment risks.

[5] ACR at p. 29. (Footnotes omitted.)

[6] ACR at p. 7.

[7] ACR at p. 9.

- Small size and newness of the retail seller should not be legitimate excuses for lack of analysis and planning.

Comments regarding managing existing supply portfolios:

- All LSEs should obtain and use their economic curtailment rights to avoid imposing negative pricing on the rest of the market and potentially triggering reliability events that could be caused by overgeneration.

Comments on potential reliance on voluntary product commitments:

- Retail sellers should not rely inappropriately on voluntary product commitments to meet their MMoPs.

The Commission stated that it will reject RPS plans that do not provide adequate details on required information and may impose fines on non-complying retail sellers.[8] Given growing curtailment levels, CalWEA urges the Commission to require supplemental filings where it finds RPS plans lacking on curtailment issues, including whether curtailment has been appropriately factored into each retail seller's MMoP.

II. COMMENTS REGARDING MANAGING INCREMENTAL PROCUREMENT

A. Procurement Plans Should Analyze Curtailment Impact on a Resource-Differentiated Basis and Consider Portfolio Resource Diversity as a Curtailment Mitigation Measure

Apart from EBCE, all CCA plans that CalWEA reviewed report on overall CAISO curtailment levels using boilerplate language.[9] None of the plans we reviewed explicitly and quantitatively distinguish between wind and solar resource curtailment, despite readily available CAISO data showing that solar projects accounted for 95% of total curtailment in

[8] ACR at p. 8.

[9] All plans that CalWEA reviewed included this material: "Due in large part to the rapid increase in the amount of wind and solar generating facilities that have been brought online throughout the western United States, the California Independent System Operator's ("CAISO") balancing authority area has experienced an increasing frequency and magnitude of curtailment and negative pricing events. … To address the resulting instances of over-supply, the amount of curtailment of solar and wind in the CAISO has significantly increased each year, totaling more than 187,000 MWh in 2015, 308,000 MWh in 2016, 379,510 MWh in 2017, 461,043 MWh in 2018, 965,241 MWh in 2019, and 1,586,500 MWh in 2020." See, e.g., the plans of AVCE at p. 57, DCE at 46-47, PCE at 41, Pioneer at 58-59, Redwood Coast at 55, San Jose at 29, SCPA at 38, Solana Energy Alliance at p. 21, and Santa Barbara at p. 56-57. (SCPA adds references to concerns pertaining to increased solar buildout.)

2021.[10] This dramatic difference between resource types was not noted in any of the CCA plans that CalWEA reviewed. However, EBCE does recognize generally that "the risk of overgeneration and negative pricing, particularly at midday, increases as solar penetration increases."[11]

By contrast, SCE evaluated historical CAISO system-wide data and reported that the CAISO curtailed about 4.8% of solar production, and less than 0.6% of wind production in 2020. SCE noted further that curtailment has grown significantly in 2021, with "solar curtailments trending higher than last year, while wind curtailments are hovering in the 0.5-1.1% range. Solar curtailments are reaching 10.3% in March 2021, compared to 7.3% in March 2020."[12]

Perhaps because of the failure to distinguish curtailment among technologies, few CCAs appear to consider diversifying their own resource portfolios as a means of lowering RPS procurement risk associated with curtailment. Instead, numerous retail sellers blame curtailment on conditions "largely driven by state policy," and therefore point to "macro-level mitigation measures through CAISO initiatives, Commission rulemakings, and possibly even legislation."[13]

EBCE and SCPA do, however, explicitly recognize the value of resource diversity and the need to match supply with their customer loads,[14] which will reduce negative pricing (and associated curtailment). However, SCPA appears to limit its curtailment evaluation for new procurements to "the proposed project location and nearby historical negative pricing and congestion,"[15] rather than evaluating potential prospective curtailment, both from local congestion and system overgeneration, and its impacts on overall RPS procurement. Overgeneration-related curtailment is a significant source of curtailment.[16]

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[10] CalWEA calculation based on CAISO data downloaded on June 25, 2021, from: http://www.caiso.com/informed/Pages/ManagingOversupply.aspx. Wind generation accounted for 5 percent of curtailment.

[11] EBCE at p. 34.

[12] SCE at p. 48. (Footnotes omitted.)

[13] PCE at p. 45, SCPA at p. 41, SJCE at p. 34, Santa Barbara at p. 63, …

[14] EBCE at pp. 16 at 24; SCPA at p. 11.

[15] SCPA at p. 40

[16] *Id.* note 10 at, e.g., Wind and Solar Real-Time Dispatch Curtailment Report Dec 30, 2020.

The Commission should require all retail sellers to evaluate resource-specific curtailment levels and consider portfolio diversity as a mitigation measure for curtailment.

B. Procurement Plans Should Forecast Curtailment; Absent LSE-Specific Analysis, IRP Data Should Be Used

Many of the draft RPS Procurement Plans that CalWEA reviewed are not responsive to the Commission's request for a written "description of quantitative analysis of forecast of the number of hours per year of negative market pricing for the next 10 years."[17] The limited discussion of negative market pricing forecasts in the public plans suggest that the redacted elements of the plans are likely also to be insufficient. For example, AVCE,[18] Redwood Coast[19] and SCPA[20] suggest that they cannot project curtailment levels, and Pioneer states only a general awareness of the possibility of curtailment.[21] AVCE refers to past curtailment levels and states "[t]o the extent that negative prices become more severe (meaning, more deeply negative), the CCA program understands that LCE may adapt its bidding strategy to

[17] ACR at p. 29. (Emphasis added.)

[18] AVCE states (p. 33) that it "is aware of … the possibility of curtailment" but states, at p. 59, "In consideration of the 2021 and 2022 delivery start dates for [its] contracts as well as pertinent contract pricing structures, AVCE has yet to prepare a negative price forecast related to these supply arrangements – because pricing conditions are prone to sudden and significant changes, the "shelf life" of such a forecast would be very brief and would be of limited use in AVCE's upcoming planning process.

[19] "Due to the difficulty in accurately forecasting curtailment," Redwood Coast (at p. 58) "reviews the historical data on curtailment and negative pricing for the regions where RCEA has contracted or owned generating resources." Redwood Coast states that it factors future curtailment into its evaluation of new procurement but does not refer to any quantitative assessments.

[20] SCPA states (at p. 40) that it "does not provide a forecast for number of hours per year of negative pricing for its VERs as it is very difficult to accurately and precisely predict the impact that the expansion of the Energy Imbalance Market the increased deployment of battery storage systems, the impacts of COVID-19 on system loads and load patterns, and the retirement of system resources such as Diablo Canyon, amongst many other variables, will have on nodal pricing." (As noted above, nodal congestion is a small source of curtailment compared with overgeneration.)

[21] "Pioneer is aware of the generation variability/intermittency associated with certain renewable technologies as well as the possibility of curtailment (based on pricing considerations or market directives) during certain times of day/year." (At p. 34.) "Pioneer will periodically reevaluate its current renewable energy planning reserve to address anticipated curtailment and/or underperformance risk to the extent that such concerns are pertinent to Pioneer's renewable contract portfolio." (At p. 42)

limit potential financial impacts"[22] – suggesting a reactive approach, rather than the quantitative proactive planning that the Commission has required.

By contrast, EBCE states that it simulates volatility in forward energy pricing using third party provided price forecasts to inform its project evaluations and uses several forward curves that represent different underlying scenarios to model the exposure of its existing and potential future resource portfolio to negative pricing,[23] although it does not report forecasted curtailment levels by technology. PG&E has used the Commission's IRP analysis to project curtailment levels in its procurement plan[24] and the Joint IOUs have created a "heat map" capturing the relative value of electricity delivered over a long-term contract horizon. Hours in the heat maps with values closer to zero have a higher expectation of curtailment.[25]

As noted in the introduction to these comments, the RPS statute provides an excuse for "unanticipated curtailment" "beyond the control of the retail seller." The Commission must have a baseline for expected curtailment to assess whether "unanticipated curtailment" has occurred, so it is imperative that RPS procurement plans include the analysis of negative pricing and curtailment required by the ACR. If retail sellers are not up to the task of forecasting future curtailment levels themselves, specific to their own portfolios and plans, the Commission should require them to use the levels of curtailment established in the Commission's IRP analysis, as CalWEA previously advocated.[26] While technology-specific curtailment figures can readily be produced with minimal post-processing of the public IRP

[22] AVCE at p. 60.

[23] EBCA at p. 35.

[24] PG&E at p. 44: "PG&E's stochastic model incorporates estimated levels of curtailment, which enables PG&E to plan for appropriate levels of RPS procurement to meet RPS compliance even when volumes are curtailed." At p. 60: "PG&E models curtailment of bundled resources based on historical levels of CAISO solar and wind resource curtailment, adjusted for future expected changes in total CAISO system curtailment based on the CPUC's most recent IRP Reference System Plan**."** (CalWEA notes that there is substantial redacted material here and in PG&E's Table 7-2. The Commission should consider whether these redactions are consistent with its call for filings "to be non-confidential to the greatest extent possible." ACR at p. 31.)

[25] SCE at p. 89.

[26] See CalWEA's July 19, 2019, comments in this proceeding at pp. 3-4. Specifically, CalWEA advocated that 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.

results, the Commission could support the use of these figures by calculating these values itself and making them available to the retail sellers that do not have this capability.

C. Retail Sellers Should Explain How Potential Curtailment Factors into Their MMoPs or Their Incremental Procurement Process Generally

An appropriate analysis of expected curtailment should be factored transparently into each retail seller's MMoP and reflect curtailment rates derived from the IRP analysis unless a sufficient retail-seller-specific analysis has been conducted, as discussed above. If there are concerns with making the data public, these figures should be redacted and included in confidential filings in a format that is comparable across retail sellers to facilitate the Commission's review.

SCE reports a MMoP of 6.65 percent[27] and explains that this figure is made up of development risk associated with projects under development[28] and potential curtailment of new as well as existing wind and solar projects. SCE's Table IX-5 shows that <u>curtailment accounts for 98.5 percent of SCE's overall MMoP adjustment of 6.65 percent</u>. Other LSE plans that CalWEA reviewed do not delineate how much of their MMoP is from curtailment, or whether curtailment was considered in the MMoP at all, despite the Commission's requirement for a "rationale for why [each LSE's] proposed minimum margin is reasonable."[29] Many LSEs' MMoPs are much lower than SCE's. For example:

- AVCE includes a 2 percent margin of over-procurement relative to its renewable energy requirements. This appears to be an arbitrary figure that the town will "periodically review" based on various factors. Curtailment is not specified among the factors.[30]

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[27] SCE Draft 2021 RPS Plan at pp. 53-55. Percentage calculated by CalWEA based on figures in Table IX-5.

[28] SCE uses individual project-specific, risk-adjusted success rates for large, near-term projects and a flat 60 percent success rate for the remaining projects, which is based on these projects' overall weighted average success rate.

[29] ACR at p. 23. ("While retail sellers may develop their own MMoP methodology, retail sellers must demonstrate that the methodology is representative of and consistent with the retail seller's inputs, assumptions, and risk assessment in RPS Plan Sections IV through VII." Section VI lists "unanticipated curtailment" among the potential compliance delays to be planned for.)

[30] AVCE at p. 43.

- Pioneer also includes a 2 percent margin of over-procurement relative to its renewable energy requirements without any specific discussion of whether or how curtailment or other risks factored into that margin.[31] Pioneer suggests that its compliance risk is low because of its reliance on existing baseload renewable generating resources and fixed-volume renewable supply commitments, but such resources are not immune to curtailment and other risks.

- PCE applies a low 0.6 percent MMoP to its RPS requirements although, in addition, PCE adjusts each contract for various risks, including curtailment risk.[32] Unlike SCE, PCE does not roll-up these contract-specific risks into an overall MMoP, so the overall adjustment resulting from these risks (and the percentage that derives from curtailment) is not available to the public, but should be made transparent at least to the Commission.

- PG&E does not report its MMoP in the public version of its plan, let alone the fraction comprised of curtailment, although PG&E does state that curtailment is factored into its deterministic and stochastic modeling that informs its MMoP.[33]

- Redwood Coast states that its currently contracted portfolio will provide a 4 percent margin on an expected basis for Compliance Period 4, after adjusting downward from a 10%+ margin due to a failed project. There is no discussion of whether or how curtailment rates factor into the 4% margin. However, the CCA does state that it performs stochastic analysis to analyze curtailment profiles for each of its contracted

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[31] See, Pioneer at pp. 43-46. E.g., at p. 46: "Pioneer considers a variety of risks and believes that such risks are sufficiently addressed within its MMoP calculation – in consideration of Pioneer's reliance on existing baseload renewable generating resources and fixed-volume renewable supply commitments, Pioneer has no reason to doubt the sufficiency of the MMoP reflected in its internally adopted RPS planning targets. This noted, if Pioneer's resource planning and contract management processes happen to identify substantive concerns with the limited new-build renewable projects included/to be included in its supply portfolio, delivery shortfalls or other issues potentially impacting the proportionate level of renewable energy reflected in its aggregate supply portfolio, Pioneer will engage in expedited procurement processes to address such shortfalls…"

[32] PCE at p. 27.

[33] PG&E at p. 76.

resources, which shows "reduced expected generation from RCEA's RPS portfolio, particularly from its large Sandrini Solar project."[34]

- DCE states that it considered curtailment in its Renewable Net Short calculations but does not include any specific discussion in its MMoP section of whether or how curtailment or other risks factored into its MMoP nor does it state what its MMoP is as a percentage of its total RPS procurement or provide the information to calculate that figure. DCE does, however, conduct stochastic modeling to adjust its contracted resources for curtailment and mentions reducing its solar facility's expected deliveries.[35]

D. Small Size and Newness of Retail Sellers Should Not Be Legitimate Excuses for Lack of Analysis and Planning

Several CCAs state their belief that they should be exempt from the Commission's curtailment-related analysis and planning requirements due to their small size or young organizational age. For example:

- "AVCE encourages the Commission to consider the appropriateness of universally requiring certain information [including curtailment] within this planning process when such information may not be relevant or useful to the reporting entity (or other parties that may choose to review such information)." AVCE states, essentially, that its participating communities are accepting a level of risk they are comfortable with – including "relatively modest renewable energy reserve margins."[36]

- Santa Barbara[37] and AVCE[38]: "the relatively small communities and related renewable energy procurement efforts supported by CalChoice are not comparable to the geographic footprint and/or procurement efforts undertaken by the incumbent utility, SCE … [and] necessitate a much different scope of procedural considerations

[34] RCEA at pp. 37-40.

[35] DCE at pp. 33-34.

[36] AVCE at pp. 7-8.

[37] Santa Barbara at p. 8.

[38] AVCE at pp. 8-9.

and risk mitigation measures – the RPS Procurement Plans submitted by the IOUs should not be the standard by which all other Plans are measured."

- AVCE[39] and Pioneer[40] state (using identical language): "Certain direction and guidance provided by the Commission seems to suggest that each element of the RPS planning process should be universally applicable across all LSEs, regardless of pertinent operational status, and that is not the case. For example, it is likely inappropriate and unhelpful for a newer CCA organization to prepare a ten-year negative price forecast or curtailment analysis when existing contractual commitments would render such information irrelevant and unhelpful – given the heightened attention and related information focused on changing market conditions, increased incidents of negative pricing and related energy curtailment, all LSEs are aware, to some extent, of these potential risk factors, but that does not mean a related forecasting effort or other form of analysis would provide useful information to each LSE. For example, a generalized ten-year negative price forecast or curtailment analysis would have no meaning for a new LSE without existing contractual commitments or if its contractual commitments did not expose the buyer to negative price risk (due to the application of settlement mechanisms and/or fixed volumetric commitments."

As the Commission noted, "CCAs are expected to account for over 90 percent of renewable energy procurement through 2030. Therefore, it is essential for planning purposes that the Commission is fully informed of all procurement across the State."[41] The proliferation of CCAs has fragmented load into many small parts, but small size should not relieve each part of its responsibility to the whole to ensure proper planning, nor should newness of the retail seller.[42] Moreover, some CCAs assume, erroneously, that curtailment affects only the CCA, rather than the system -- imposing costs on all other retail sellers, as

[39] AVCE at p. 7.

[40] Pioneer at p. 8.

[41] ACR at p. 6.

[42] We note that new and small entrants to the CAISO market are not exempt from scheduling and other market rules.

discussed in the next section. In addition, some CCAs appear to overlook the purpose of the curtailment forecasts, which is to inform their future procurements. Even a new retail seller needs to consider potential future curtailment to prudently construct a portfolio that manages that risk. Finally, some of the complaining retail sellers have been operating for many years.

Nevertheless, as noted above, we encourage the Commission to facilitate compliance for new or small retail sellers on the topic of curtailment by providing retail sellers with forecasted curtailment rates by technology based on the Commission's IRP modeling. By ensuring that all retail sellers have access to a default set of potential curtailment data, there should be no excuse for a retail seller's failure to incorporate curtailment analysis in its RPS procurement plans and actual procurement.

III. COMMENTS REGARDING MANAGING EXISTING SUPPLY PORTFOLIOS: ALL RETAIL SELLERS SHOULD MANAGE FOR OVER-GENERATION

As CCAs assume a larger and larger portion of the overall resource portfolio, as noted above, they will need to assume responsibility for avoiding overgeneration, rather than relying on the IOUs to do so. SCE explained the benefits of its over-generation management strategy as follows:

> "SCE is utilizing economic curtailment rights to enable the CAISO to achieve generation reductions more efficiently when and where needed to alleviate congestion in the course of normal operations, and during transmission outages and periods of over-generation. This practice will enable the CAISO to optimize the renewable resources more directly in the market optimization runs."[43]
>
> "[R]esources with economic curtailment rights are bid accordingly (economically) into the day-ahead and real-time markets as practicable. Resources with such curtailment rights are then curtailed as needed based on the CAISO's economic dispatch. …In future RPS solicitations, … SCE will retain the right to curtail at its discretion but will pay for curtailments directly resulting from SCE marketing decisions…."[44]

Similarly, PG&E states:

> "Where PG&E has control over contractual terms, PG&E requires substantial operational flexibility and curtailment rights. … While direct benefits of economic bidding include avoided costs and CAISO market payments associated with negative

[43] SCE at p. 34.

[44] SCE at p. 63. (Footnotes omitted.)

> prices, there can be other important benefits, including potentially avoiding the cost impacts across the rest of our portfolio due to extreme negative price periods, and also improving CAISO system reliability by helping to mitigate the occurrences, duration, or severity of negative price periods or overgeneration events."[45]

All LSEs should obtain and use their economic curtailment rights to avoid imposing negative pricing on the rest of the market and potentially triggering reliability events that could be caused by overgeneration. Many CCAs already do.[46] Some LSE plans indicate, however, that their contract terms may discourage economic curtailment and ignore the fact that curtailment imposts costs on the system, not just the LSE. For example:

- AVCE suggests that sellers should be responsible for curtailment, although they may be inhibited from doing so due to delivery requirements: "To the extent that negative pricing occurs, the sellers, which also serve as the scheduling coordinators under each supply agreement, would be responsible for such costs or could choose to pursue curtailment, if negative pricing was too punitive to justify facility operation. However, these contracts also reflect production guarantees, which would limit prospective curtailment activities based on a guaranteed minimum level of renewable energy production."[47]
- Pioneer and CCCE state that they have relied initially on index-plus pricing structures that shield the CCAs from negative pricing and/or curtailment risk. CCCE indicates an intention to obtain economic curtailment rights in the future and to develop storage in conjunction with its solar resources, while Pioneer's plan is vague.[48]

IV. COMMENTS ON POTENTIAL RELIANCE ON VOLUNTARY PRODUCT COMMITMENTS

Some CCAs may be relying inappropriately on voluntary product commitments to meet their MMoPs. As described more fully below, some CCAs appear to be taking the view that renewable energy procured to provide service under voluntary high renewable energy

[45] PG&E at pp. 94-95. (PG&E explains that they do not have such control under certain programs such as ReMAT and PURPA.)

[46] E.g., see EBCE at p. 36, PCE at pp. 11, 12 and 46, SCPA at p. 40.

[47] AVCE at p. 58.

[48] Pioneer at pp. 63, CCCE at p. 38.

content programs can also be used to satisfy shortfalls in the CCAs overall RPS procurement. While this may be primarily a consumer protection issue, it is a related policy issue that may warrant the Commission's attention. The CPUC should ensure that voluntary product offerings do not become misleading. In support of this concern, CalWEA highlights the following procurement plans:

- As noted above, AVCE plans for a relatively low 2% margin of over-procurement. AVCE suggests that subscriptions to voluntary product offerings (presumably with higher renewable energy content levels) could also count towards the MMoP.[49] If such a practice were to result in not delivering promised product content for voluntary "opt-up" subscriptions,[50] it would dishonor the trust placed in the CCA by its customers who were promised a certain amount of additional renewable energy content for a premium price and did not volunteer to serve as a back-stop for the CCA's lack of planning. The Commission should discourage, if not prohibit, such practices by requiring reasonable MMoPs above both statutorily mandated procurement levels as well as procurement levels necessary to fulfill product commitments.

- Similarly, for its MMoP, PCE relies in part on the fact that its default product supplies 50% renewable content to "mitigate any risk of not meeting the state RPS." ("[O]ur [Voluntary]MoP is larger than our MMoP, thus by pursuing our VMoP we will achieve both the objectives set by our Board as well as mitigate any risk of not meeting the state RPS."[51]) As noted above, PCE's overall MMoP is not disclosed, however, it includes a low 0.6% or less margin for each compliance year in addition

[49] AVCE at p. 43. ("The Town considers its MMoP to be the level of RPS procurement in excess of statutory mandates. Such excess procurement will occur based on Council-approved policy related to the level of renewable energy reflected in the Town's default retail service offering as well as assumed participation rates in any voluntary retail service offering that may be offered to CCA customers in the future (subject to Town Council approval)." Emphasis added.)

[50] AVCE's website states that its standard product, Core Choice, offers 35% renewable energy, while its More Choice rate plan "offers customers the option of opting-up to 50% renewable energy at a nominal price." https://www.applevalley.org/services/apple-valley-choice-energy.

[51] PCE at p. 28.

to risk-adjustments for each contract. In any case, PCE has effectively promised its customers that it will deliver a "50% renewable" product, so it should include a MMoP above that level of procurement to deliver on its promises and not draw on those promises to ensure compliance with state RPS requirements. Instead, to ensure that it delivers on its promises to consumers, it should have a MMoP above that 50% level.

- CCCE entirely conflates its MMoP with its accelerated RPS procurement targets.[52]
- Pioneer is similarly vague about how its MMoP relates to its voluntary product offerings, stating that its renewable energy procurement targets reflect state mandated RPS procurement targets and its 2% MMoP, noting that its Governing Board recently decided to implement a 100% renewable retail service option, stating "While this offering is very new, it is assumed that related customer participation will eventually increase the overall RPS content reflected in in Pioneer's aggregate supply portfolio as well as the MMoP reflected in this planning document – the timing of this transition, however, remains uncertain."[53]
- EBCE states that it has a "2% target above the state requirement over the planning horizon", but apparently no margin above the required content for its opt-up products that exceed state requirements.[54] EBCE's plan also obscures whether it has delivered its promised product content ("EBCE in 2020 provided its customers with approximately 39% RPS-eligible energy <u>on average</u>, exceeding the statewide requirement of 33%."[55])

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[52] CCCE at pp. 23-24.

[53] Pioneer at p. 44.

[54] EBCE at pp. 12 and 24.

[55] EBCE at p. 8. (Emphasis added.) At footnote 8 on p. 8, EBCE states "For 2020 EBCE offered three products to customers in its service area: Bright Choice, which is a minimum of 39.5% RPS-eligible; Brilliant 100, which is at least 33% RPS-eligible; and Renewable 100, of which 100% comes from RPS-eligible resources. 39.2% represents a portfolio-weighted average for EBCE."

In contrast to the practices implied above, SCE removes customer load associated with its opt-in programs from the load forecasts in its plan and is required to retire RECs associated with its green product subscriptions.[56]

Respectfully submitted,

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On behalf of the California Wind Energy Association

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[56] SCE at p. 84. ("SCE adjusted its RPS load forecast to remove customer load served under the Green Tariff portion of the GTSR program. This is consistent with SB 43 and intentions of the GTSR and CR programs, which require the utilities to retire the RECs from subscribed energy on behalf of the subscribing customers." Emphasis added and footnote omitted. Also see footnote 18 at p. 13: "Only RECs associated with unsubscribed GTSR energy deliveries may be used for SCE's RPS compliance. *See* D.15-01-051 at pp. 43-44; OP 12."

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 Draft 2021 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 July 30, 2021, at Berkeley, California.

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