

**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)

**REPLY COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION ON
PROPOSED DECISION ADOPTING MODELING REQUIREMENTS TO CALCULATE
EFFECTIVE LOAD CARRYING CAPABILITY VALUES FOR RENEWABLES
PORTFOLIO STANDARD PROCUREMENT**

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

September 17, 2019

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I. INTRODUCTION

In accordance with the Rule 14.3 of the Commission’s Rules of Practice and Procedure, the California Wind Energy Association (“CalWEA”) submits these reply comments to the September 12, 2019, opening comments on the Proposed Decision of Administrative Law Judge Atamturk’s Proposed Decision Adopting Modeling Requirements to Calculate Effective Load Carrying Capability (“ELCC”) Values for Renewables Portfolio Standard Procurement (“Proposed Decision” or “PD”). We respond to the opening comments of the American Wind Energy Association California Caucus and the Large-scale Solar Association (“AWEA-CA and LSA”), Southern California Edison Company (“SCE”), and the California Energy Storage Alliance (“CESA”).

II. COMMENTS

A. The Proposed Decision Should Be Adopted Because It Refines the LCBF Process

While the PD would not accomplish all of the improvements that CalWEA had advocated, CalWEA supports the Proposed Decision for the same reasons expressed by SCE: (1) recognizing the differences in technologies and locations will allow for a more refined valuation process to assess the appropriate Resource Adequacy (“RA”) value expected from the

resource; (2) treating behind-the-meter photovoltaics (“BTM-PV”) as supply-side resources is appropriate because they have the same load-shifting impact on grid reliability as in-front-of-the-meter solar; and (3) using marginal ELCC values is appropriate because marginal ELCC values reflect the incremental grid reliability benefit that a new resource provides at the time that it interconnects to the grid. All of these changes will improve the accuracy of the least-cost, best-fit (“LCBF”) bid evaluations of the investor-owned utilities.

CalWEA regrets that the Proposed Decision would require the IOUs to analyze 4-hour duration batteries paired with renewables without recognizing the operational constraints associated with tax credits, a flaw that CESA also noted,¹ but appreciates the acknowledgement that “there is need for further research and refinement to determine the reliability value of paired resources” and we look forward to that further discussion. Similarly, we are disappointed that the PD would reject the Staff Proposal to use monthly ELCC values, which would be consistent with the calculation of reserve margins, but we look forward to further consideration of this issue in the future as well.

B. AWEA-CA and LSA Would Ignore the Major Impact of BTM-PV on Resource Adequacy Value

AWEA-CA and LSA oppose treating BTM-PV as a supply resource, arguing that, in the context of the CAISO’s discussion regarding demand response and energy efficiency, BTM-PV fits the CAISO’s definition of a load modifier and that there has been no discussion of why deviation from these definitions is necessary. In fact, there has been substantial discussion of the need to treat PV as a supply-side resource in this and related proceedings. For example, the September 18, 2018, Staff Proposal on ELCC values noted that the Commission’s Integrated Resource Planning (IRP) methodology already treats BTM-PV as a supply-side resource.² In addition, CalWEA cited, in this proceeding, a Calpine-E3 proposal made in the RA proceeding which explained that, “It is important to include BTM PV in the ELCC modeling because it is a

¹ CESA Opening Comments at p. 5.

² See, in this proceeding, *Administrative Law Judge’s Ruling Requesting Comments on Staff Proposal on Effective Load Carrying Capability, Time of Delivery Factors, and Project Viability* (September 12, 2018) at Table 1.

significant fraction of all solar generation and influences the ELCC of other resources.”³ The Proposed Decision recounts a similar argument made by the Western Power Trading Forum.⁴

While we agree with AWEA-CA and LSA that (unfortunately), BTM-PV is “not typically visible to the CAISO,” these resources nevertheless have the same impact on system reliability and system-RA capacity needs as supply-side solar resources, notwithstanding their location on the customer side of the meter. Regarding the concern that BTM-PV resources may be counted twice, in both load and in supply, we trust that the investor-owned utilities are sufficiently familiar with RA capacity modeling to address this obviously necessary condition.

C. ELCC Methodologies Should Be Aligned Across Proceedings

CalWEA shares CESA’s concern that a marginal ELCC approach would be adopted in the PD for RPS LCBF valuations while average ELCC values are currently being used in the RA proceeding.⁵ However, as noted by SCE, there is currently active dialogue in the RA proceeding with regard to this specific ELCC issue.⁶ CalWEA anticipates that alignment will occur because, as the PD finds, “[c]alculating a marginal ELCC value is the most accurate way to assess incremental capacity value for new RPS resources with respect to the entire electric system.”⁷

³ See, in this proceeding, *Comments of CalWEA on Staff Proposal on Effective Load Carrying Capability, Time of Delivery Factors, and Project Viability* (October 5, 2018), citing R.14-10-010, Calpine Corporation Preliminary Phase 3 Proposal (with Energy+Environmental Economics) (December 16, 2016).

⁴ Proposed Decision at p. 15. (“Supporting the staff proposal to treat behind-the-meter solar as a supply resource, WPTF states that, because BTM PV constitutes a significant fraction of PV, this resource type increases the saturation of solar, pushes reliability problems to hours in which solar resources do not produce, and depresses solar ELCC in general.”).

⁵ CESA Opening Comments at p. 9.

⁶ SCE Opening Comments at p. 4.

⁷ Proposed Decision at Finding of Fact 11.

Respectfully submitted,

/s/ Nancy Rader

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***On behalf of the California Wind Energy
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September 17, 2019

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 Proposed Decision Adopting Modeling Requirements To Calculate Effective Load Carrying Capability Values For Renewables Portfolio Standard Procurement” 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 September 17, 2019, at Berkeley, California.

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