

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

Order Instituting Rulemaking to Oversee the  
Resource Adequacy Program, Consider  
Program Refinements, and Establish Forward  
Resource Adequacy Procurement Obligations.

Rulemaking 19-11-009  
(Filed November 7, 2019)

**COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
ON PRELIMINARY SCOPING MEMO AND DETERMINATIONS**

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

December 3, 2019

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**I. INTRODUCTION**

The California Wind Energy Association (“CalWEA”) respectfully submits these comments, in accordance with Ordering Paragraph 3 of the Order Instituting Rulemaking (“OIR”), issued November 13, 2019, initiating this Resource Adequacy (“RA”) proceeding. The OIR requests comments from parties on the scope outlined for the proceeding, and the preliminary determinations of the category, need for hearing, and schedule. In these comments, CalWEA proposes two refinements of the RA program.

**II. PROPOSED REFINEMENTS OF THE RA PROGRAM**

**A. Allocation of Flexible Procurement Obligations**

CalWEA recommends that the Commission develop and implement a methodology to allocate its flexible RA capacity requirements to load-serving entities (“LSEs”) based on their individual contribution to the need for these resources. This RA program modification is not only necessary to provide accurate cost signals that will encourage LSEs to minimize the potentially significant indirect system integration costs associated with their resource portfolios, but is also now required by the passage of AB 1584 (adding P.U. Code Sec. 397), which was signed into law on October 2, 2019, and becomes effective January 1, 2020. This legislative directive warrants making this a top priority refinement issue for this RA cycle.

AB 1584 requires the Commission to:

develop methodologies for allocating electrical system integration resource procurement needs to each load-serving entity, as defined in Section 380, based on the contribution of the load-serving entity's load and resource portfolio to the electrical system conditions that created the need for the procurement and for determining any costs resulting from a failure of a load-serving entity to satisfy its allocated procurement needs. Those needs and costs shall be limited to those that are subject to the commission's jurisdiction pursuant to Section 380, 454.51, or 454.52.

(New P.U. Code Sec. 397(a)(1)). The "electrical system integration resource procurement needs and costs" referenced include, but are not limited to, those relating to resource adequacy requirements associated with system flexibility, as described in subdivision (c) of Section 380.

(New Code Sec. 397(a)(2)(A)).

As the Commission noted in its 2016 RA decision,<sup>1</sup> it is important to allocate flexible RA requirements to each LSE based on its individual contribution to those requirements in order to provide cost signals that will reduce total system costs consistent with the RPS statute. Allocating flexible RA obligations according to causation will provide LSEs with clear incentives to align their portfolios with the cost-minimization objectives of Integrated Resource Planning and the Renewables Portfolio Standard Program.<sup>2</sup> Otherwise, an LSE could shift the indirect system integration costs associated with its planning and procurement decisions onto other LSEs.

CalWEA suggests that the Commission invite proposals on an allocation methodology, conduct a workshop to discuss these proposals, and invite comments and reply comments.

## **B. Improving Effective Load-Carrying Capability ("ELCC")**

CalWEA supports consideration of adopting marginal ELCC counting conventions for solar, wind and hybrid resources. Marginal ELCC valuation is important to ensure reliability,

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<sup>1</sup> Decision D.16-06-045 (issued June 23, 2016) at 47-48.

<sup>2</sup> P.U. Code Section 454.51(a) requires the Commission to "[i]dentify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy in a cost-effective manner." (Emphasis added.) P.U. Code Section 399.13(4)(A) requires the commission to adopt a process that provides criteria for the rank ordering and selection of least-cost and best-fit eligible renewable energy resources to comply with the RPS Program obligations on a total cost and best-fit basis that takes into account, among other things, "Estimates of electrical corporation expenses resulting from integrating and operating eligible renewable energy resources, including, but not limited to, any additional wholesale energy and capacity costs associated with integrating each eligible renewable resource." (Emphasis added.)

since constantly changing values could lead to an unmanageable process that would make it difficult, if not impossible, to properly account for the impact of a proposed resource on system reliability as well as the determination of a resource's transmission deliverability level. In addition, fixing ELCC values by vintage will improve the ability for LSEs to plan their portfolios because they will be able to count on the RA value of the procurements they make on a long-term basis.

### III. CONCLUSION

CalWEA appreciates this opportunity to provide comments on the scope of this OIR and looks forward to working with the Commission in this proceeding.

Respectfully submitted,

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

December 3, 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 “Comments of the California Wind Energy Association on Preliminary Scoping Memo and Determinations” 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 3, 2019, at Berkeley, California.

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