

**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 2016 and
2017 Compliance Years.

Rulemaking 14-10-010
(Filed October 16, 2014)

**PROPOSAL OF THE
CALIFORNIA WIND ENERGY ASSOCIATION
FOR REFINEMENTS TO RESOURCE ADEQUACY**

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*On behalf of the California Wind
Energy Association*

January 15, 2016

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Pursuant to the schedule set forth in the Assigned Commissioner and Administrative Law Judge’s Phase 2 Scoping Memo and Ruling (“Ruling”) dated December 23, 2015, the California Wind Energy Association (“CalWEA”) respectfully submits a proposal for Resource Adequacy (“RA”) refinements related to the Effective Load Carrying Capability (“ELCC”) methodologies.

I. Introduction and Context

Pursuant to SB 350, the Commission held a December 2, 2015, workshop on implementing the provision related to Integrated Resource Planning (“IRP”) in that legislation. At the workshop, in public comments, CalWEA noted that improving coordination between the Commission’s proceedings would be a necessary and meaningful step towards an IRP process. Coordinating ELCC methods across the RA and the Renewables Portfolio Standard (“RPS”) proceedings is an obvious candidate for such coordination.

The RPS proceeding is in the process of developing an ELCC methodology for purposes of the Least-Cost Best-Fit (“LCBF”) RPS bid evaluation process.¹ The ruling and associated staff paper contemplate the development, by California’s three primary investor-owned utilities (“IOUs”), of a uniform approach to the use of the ELCC method for determining the capacity value of variable renewable resources. Public comments have been received and a second ruling on this issue should be forthcoming in the near future. In its comments, CalWEA highlights the important relationship between the ELCCs assigned to variable resources that are in operation

¹ See R.15-02-020, October 9, 2015, ruling of Administrative Law Judge Anne Simon.

(addressed under the RA proceeding) and the incremental resources that will be added to the system (addressed under the RPS proceeding). Our proposal here relates to this important interrelationship.

II. Proposal

CalWEA proposes that Energy Division staff in the RA and RPS proceedings work together to coordinate the ELCC values to be determined for the RA and RPS proceedings. This could be done, for example, by directing the IOUs to include in their ELCC proposals for the RPS a related and consistent methodology for developing ELCC values for existing resources for the RA proceeding. Comments on the proposals could be jointly filed under both proceedings, possibly holding a joint workshop among the proceedings, with the Commission issuing a joint decision on this issue.

CalWEA also proposes that the utilities be instructed to specifically address the fact that the ELCC-based QC values calculated for a specific resource will change over time, particularly as more resources with similar characteristics interconnect to the system. Constantly changing values for operating resources 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.²

We note that comments filed by the California Independent System Operator (“CAISO”) earlier in this proceeding are consistent with these concerns. Specifically, the CAISO has noted that it believes “the ELCC of resources should be based on the incremental value of the resource across the life of the resource, and the ELCC of vintage resources should not artificially inflate the ELCC of newer resources or, conversely, have their own ELCC artificially deflated.”³

Respectfully submitted,

² For more discussion, see CalWEA’s October 23, 2015, comments in R.15-02-020.

³ See R.14-10-010, CAISO Comments on Phase 3 Workshop Issues (Feb, 18, 2014) at p. 8.

/s/

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