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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 Procurement Obligations	Rulemaking 11-10-023 (Filed October 20, 2011)

REQUEST FOR EVIDENTIARY HEARINGS OF SIERRA CLUB AND THE UTILITY REFORM NETWORK

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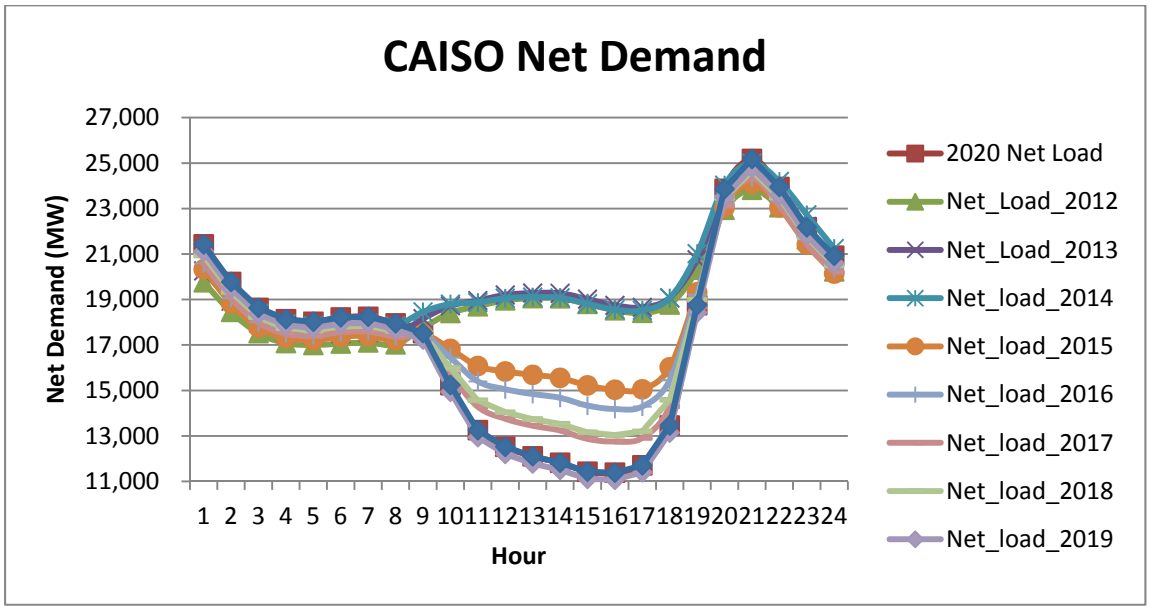
Dated March 7, 2013

REQUEST FOR EVIDENTIARY HEARINGS OF SIERRA CLUB AND THE UTILITY REFORM NETWORK

Pursuant to the Phase 2 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge filed December 6, 2012, the Sierra Club and The Utility Reform Network ("TURN") (collectively "Requesting Parties") submit this formal request for hearings in the instant Rulemaking, R.11-10-023.

The timing and extent of a need for flexible capacity procurement is a significant source of potential dispute among parties to this proceeding. At the January 23rd workshop in this Proceeding, the California Independent System Operator (CAISO) presented a series of slides purporting to support the need for its Flexible Capacity Procurement proposal. The data and assumptions underlying these slides have not been yet been subject to meaningful vetting or scrutiny. Requesting Parties and other parties have only recently received data from CAISO that purports to support its slide presentation. Produced data includes the increasingly ubiquitous "duck graph" and the data underlying its construction. CAISO is now using the duck graph, shown below, as visual justification for its proposal for the immediate adoption of flexible capacity procurement by this Commission and the need for for a forward capacity market.



Evidentiary hearings are required to provide a meaningful forum to vet CAISO data, assumptions, and analyses and help ensure the Commission avoids adoption of an unneeded or

misdirected procurement program. Workshops fall short of the robust inquiry and transcribed record needed for an informed understanding of future flexibility needs and the immediate necessity of the proposed Flexible Capacity Procurement regime. Indeed, robust vetting of data and a complete record is the foundation of effective policy development. Accordingly, hearings are necessary to address and establish a written record of the following disputed material facts:

a. The projected levels of flexible capacity in the system each year until 2020 and the characteristics of these flexible resources.
b. Projected flexibility capacity needs each year until 2020 as a result of increased penetration of renewable generation.

Requesting Parties are cognizant that the Scoping Memo contemplates a June 2013 Final Decision for 2014 Resource Adequacy requirements. However, given that all parties appear to acknowledge that a flexible capacity procurement requirement is not needed in 2014 to ensure reliability, a decision on flexible capacity procurement need not be part of the June 2013 Final Decision. Moreover, given delays in the release of a revised flexible procurement proposal by the Energy Division, adoption in 2014 is also increasingly problematic from a procedural standpoint. Accordingly, evidentiary hearings should be held in late Summer/Fall 2013 in preparation for an informed decision on flexible capacity procurement for the 2015 Resource Adequacy compliance year.

Dated: March 7, 2013

Respectfully submitted,

/s/

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