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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 and Flexible Procurement Obligations
for the 2016 and 2017 Compliance Years.

Rulemaking R.14-10-010

**COMMENTS OF THE GREEN POWER INSTITUTE
ON THE PROPOSED DECISION OF ALJ DUDNEY**

June 9, 2016

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**COMMENTS OF THE GREEN POWER INSTITUTE
ON THE PROPOSED DECISION OF ALJ DUDNEY**

Pursuant to Rules 14.3 and 14.6 of the Commission’s Rules of Practice and Procedure, in R.14-10-010, the **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**, the Green Power Institute (GPI), a program of the Pacific Institute for Studies in Development, Environment, and Security, provides these *Comments of the Green Power Institute on the Proposed Decision of ALJ Dudney*. We believe that the Proposed Decision (PD) is fundamentally sound and should be enacted.

In the previous annual cycle of the RA proceeding, which set RA requirements for 2016, SDG&E proposed to unbundle conventional and flexible capacity for commercial purposes. The GPI supported this proposal. The June 2015 RA Decision, D.15-06-063, defers consideration of SDG&E’s proposal to unbundle conventional and flexible capacity pending further consideration. In the current annual cycle of the RA proceeding, which will be settled by the Decision that results from the PD under consideration here, several parties offered proposals for the unbundling of EFC and NQC. Again, GPI supported these proposals, and again, the PD defers their consideration, “until Track 2 or a later time (PD, pg. 51).” We encourage the Commission to consider the issue in Track 2, rather than waiting for a later time. We believe that this is a relatively straightforward issue, and that concerns about double counting are not insurmountable.

The previous Decision in the RA proceeding also deferred consideration of CESA’s proposal to treat renewable generators that are integrated with behind-the-meter storage as single units for purposes of assigning RA values, a proposal that GPI supported. In the current annual cycle of the RA proceeding the Joint DR Parties make a similar proposal, in this case proposing allowing aggregators to use multiple technologies to reduce load at a customer location. This proposal would allow the kinds of integrated PV/storage systems

to be treated as a whole that were previously proposed by CESA, and adds a variety of additional possible components to be unified as well. The GPI supported the Joint DR Parties' proposal. We are disappointed that the PD does not adopt the proposal, but we note that the rejection is accompanied by the phrase, "at this time (PD, pg. 47)." We encourage the Commission to keep an open mind to proposals of this kind that might be brought in the future, as technologies mature.

The GPI is pleased that the PD adopts PG&E's proposal on pre-dispatch resources, which we supported. In particular, we are pleased that baseload renewables (biomass, biogas, geothermal) are now included in the pre-dispatch category, and that generators are assigned RA capacity based on the amount of power they offer to the grid, not the amount that is ultimately scheduled. These are sensible upgrades to the RA program.

The GPI looks forward to the passage of this Track 1 Decision, and to moving forward to tackle the challenges in Track 2, particularly the issue of permanent flexible capacity.

Dated June 9, 2016

Respectfully Submitted,



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