

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED
6-28-17
04:59 PM

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)

**NOTICE OF EX PARTE COMMUNICATIONS OF THE CENTER FOR ENERGY
EFFICIENCY AND RENEWABLE TECHNOLOGIES**

June 28, 2017

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NOTICE OF EX PARTE COMMUNICATIONS BY THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, the Center for Energy Efficiency and Renewable Technologies (CEERT) hereby gives notice of the following ex parte communications. Rule 8.4 provides that “[t]he notice may address multiple ex parte communications in the same proceeding, provided that notice of each communication identified therein is timely.”

The three (3) communications occurred on Friday, June 23, 2017, and involved the same information. The communications were oral and written and took place at the Commission’s offices at 505 Van Ness Avenue, San Francisco, California 94102. The written communication was a handout that CEERT brought to the meeting entitled “Resource Adequacy Reforms” which is attached and incorporated by reference hereto.

The communications were initiated by Megan M. Myers, attorney for CEERT. The first communication occurred at 9:30 a.m. with Commissioner Rechtschaffen’s Chief of Staff Sean Simon and lasted approximately 30 minutes. The second communication occurred at 1:00 p.m. with Commissioner Randolph’s Energy Advisor, Leuwam Tesfai and lasted approximately 30 minutes. The third communication occurred at 3:00 p.m. with Commissioner Guzman Aceves’ Legal Advisor, Candace Morey and lasted approximately 30 minutes. CEERT timely filed and served a Three Working Days’ Notice for these communications on June 19, 2017 (“Notice”).

Copies of the Notice were provided to Mr. Simon, Ms. Tesfai, and Ms. Morey at the beginning of each meeting. Also present in person at the time of the meeting were James Caldwell, Consultant for CEERT, and Sara Steck Myers, Attorney for CEERT. Megan Myers attended the meeting in person. No one else was present at the time of the meeting.

Ms. Megan Myers began by discussing CEERT's comments on the Proposed Decision Adopting Local and Flexible Capacity Obligations for 2018 and Refining the Resource Adequacy Program which was issued on May 25, 2017 in Rulemaking (R.) 14-10-010 (Resource Adequacy (RA)). CEERT's comments were timely filed and served in R.14-10-010 (RA) on June 14, 2017. Ms. Megan Myers stated that CEERT appreciated the Proposed Decision taking into consideration of CEERT's concerns about the complexity and lack of transparency in this proceeding. However, Ms. Megan Myers advised that CEERT believes that there are issues that remain that should be addressed as soon as possible – either in this Proposed Decision or in the next RA rulemaking.

Mr. Caldwell stated that the RA proceeding did not get as far as it could have and that now is the time for RA to move more quickly. Ms. Sara Myers stated that the Commission may want to consider having a different RA cycle or issuing a mid-term Decision to ensure that important issues related to needed refinement in the RA process are actually fully addressed, rather than leaving them to the June RA Decision, in which time may not permit their resolution.

Mr. Caldwell further addressed the lack of transparency with RA. He also stated concerns about the fact that the Energy Division's 2015 RA Report had not been issued until January 2017, and it remains unclear about what resources were used to support which functions. Mr. Caldwell also stated that, as to system RA, phasing in Effective Load Carrying Capacity (ELCC) is a mistake because getting the capacity value right is important. As such, Mr.

Caldwell urged that the Commission to move forward now to adopt ELCC without further phasing.

Mr. Caldwell also stated that every other jurisdiction, other than California, calculates forced outage rates. Local RA needs to be transparent and local RA demand needs to be reduced. As for flexible RA, Mr. Caldwell stated that the current process was not working to ensure procurement of resources that meet a flexible need. Instead, the Commission should consider either dropping the program altogether and relying on energy and ancillary service markets or redefining the flexible RA metric.

Respectfully submitted,

June 28, 2017

/s/ MEGAN M. MYERS
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RESOURCE ADEQUACY REFORMS

Transparency

- Energy Division RA Report needs to be more timely, more complete, and focus on high priced procurements.
- Multi-year LSE positions need to be publicly available.
- LSE showings need to be public.

System Resource Adequacy

- Phasing in ELCC is a mistake. Full ELCC with forward looking load/resource values needs to be implemented ASAP.
- Need to discount fossil facilities for forced outage rates. This is standard practice in other jurisdictions (solar and wind already have a forced outage discount through the ELCC calculation). CA should reward quick, sure starts.

Local Resource Adequacy

- Needs to be a concerted effort to reduce LCR demand.
 - Expedite CPCNs for Mesa Loop In and SDG&E reconductoring.
 - Expedite S Line and CFE “fuse protection” (Smart Wires)
 - Order power flow studies for other cost effective transmission upgrades.
 - Target incremental AAEE investments to peak reduction in LCR areas.
- Expand preferred resource options.
 - Target incremental storage investments to LCR areas
 - Pair short term storage with “long start” DR for LCR procurement.
 - Target SGIP and DRAM investments to LCR reduction.
 - Expedite adoption of TOU rates
 - Compensate managed charging of EVs

Flexible Resource Adequacy

- Consider dropping the program altogether and relying on energy and ancillary service markets.
- Encourage capacity/energy exchanges with partners in Pacific Northwest.
- Support trading between CA municipal BAs and CAISO.
- Engage Department of Water Resources assets.
- If program continues, redefine Flex RA metric, make a one-hour ramping product plus block loading of quick start gas.