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OF THE STATE OF CALIFORNIA

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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
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COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES ON ENERGY DIVISION PROPOSALS

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I. INTRODUCTION

Pursuant to the January 6, 2015 "Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge" (Scoping Memo and Ruling), the Office of Ratepayer Advocates (ORA) submits the following comments on the January 6, 2015 "Energy Division Staff Proposals Regarding Resource Adequacy [RA] Program Refinements" (Energy Division proposals). ORA addresses the Energy Division's proposals regarding "Qualifying Capacity [QC] Calculations for Intermittent Resources" and "Avoided Transmission and Distribution Line Losses for Demand Response Resources in the RA Proceeding." ORA generally supports the Energy Division's proposals.

II. DISCUSSION

A. Qualifying Capacity Calculations for Intermittent Resources

1. Energy Division's proposal to create separate technology factors for solar photovoltaic (PV) and solar thermal should be supported with data and adopted only if this effort will be completed at least one year ahead of the adoption of effective load carrying capacity (ELCC) calculations.

Energy Division proposes to revise the QC Calculation Manual to direct Energy Division to create separate technology factors for solar PV and solar thermal for calculating QC values.[1] The QC Calculation Manual's current practice of calculating one technology factor for both solar PV and solar thermal is biased towards the operational capability of solar thermal facilities near Kramer Junction, which historically represented the bulk of solar facility data.[2] Energy Division states that solar PV is rapidly expanding and operates differently from solar thermal, but does not elaborate on the difference between the two technologies.[3] Energy Division also states that calculating the two

[1] Energy Division proposals, p. 4.

[2] Energy Division proposals, p. 4.

[3] Energy Division proposals, p. 4.

technologies independently is important to accurately reflect reliability contributions of solar PV and solar thermal.[4]

While the proposal has merit, ORA requests additional information to understand the implications of Energy Division's proposal. The current Energy Division proposal includes no details on the proposed new technology factors. For example, it would be helpful for Energy Division staff to present the information they reviewed which shows the different operating characteristics of the two types of solar facilities. Also, Energy Division could propose specific calculations for each technology factor. Additionally, the proposal states that Energy Division staff will "ultimately propose" a new ELCC methodology.[5] The new ELCC methodology will presumably account for differences in performance patterns between solar PV and solar thermal, and will make the instant proposal obsolete. Therefore, it seems prudent to only undertake the proposed revisions to the QC Calculation Manual if the revisions can be completed at least a year ahead of ELCC adoption.

2. ORA supports eliminating the usage of meter data prior to the Commercial Operation Date (COD) of an intermittent facility when calculating a facility's QC.

Energy Division proposes to revise the QC Calculation Manual to eliminate the use of meter data that was recorded prior to an intermittent facility's achievement of its COD.[6] Energy Division states that using meter data collected during the partial operation of an intermittent facility skews the QC value of the facility and is not an accurate measure of the facility's true operating QC.[7] ORA agrees with Energy Division's proposal to eliminate the use of meter data collected prior to the COD of an intermittent facility when calculating the facility's QC.

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[4] Energy Division proposals, p. 4.

[5] Energy Division proposals, p. 3.

[6] Energy Division proposals, p. 6.

[7] Energy Division proposals, pp. 4-6.

3. ORA supports Option 2 regarding the use of proxy data for hours impacted by outage, but also recommends excluding proxy data creation for both outages which do not affect generation and for facilities where energy output is overly erratic or fluctuates disproportionately.

The QC Calculation Manual directs the Energy Division to exclude the impact of forced or planned outage data when calculating and assigning a QC value for a facility. However, in implementing this rule, Energy Division staff found that forced outages do not always reduce the performance of a facility, and that the QC Calculation Manual's directive to replace a facility's performance in outage-impacted hours with proxy values may not be prudent.[8] Energy Division's proposal explains that the use of proxy values is especially problematic for facilities with outages that have durations of several months or even years.[9] It is also problematic for facilities where the energy output is "overly erratic, fluctuates disproportionately, or [where the QC value] is lower upon removal of meter data during outages."[10] Therefore, Energy Division proposes to change the current method of accounting for forced outages in one of two ways: 1) using the entire three-year data set regardless of a generator's outage history ("Option 1"), or 2) generating proxy data for forced outage periods only when a facility experiences less than six months of forced outages over the three-year calculation period; otherwise, if there is an outage of more than six months during the three years of performance in the dataset, using the entire data set regardless of outages ("Option 2").

ORA agrees that outages which do not impact a facility's output do not require the calculation of proxy data.[11] However, proxy data are potentially useful when a facility is

[8] Energy Division proposals, pp. 6-7.

[9] Energy Division proposals, p. 7.

[10] Energy Division proposals, p. 7.

[11] Energy Division proposals, p. 8.

not "overly erratic" or "fluctuates disproportionately."[12] For all these reasons Energy Division's Option 1 is inefficient.

ORA supports excluding proxy data creation for facilities with cumulative outages exceeding 6 months (Option 2) since such proxy data may be misleading. However, ORA recommends modifying Option 2 to also exclude proxy data creation for (1) potential outage codes which do not affect the energy output of a facility, or (2) when a facility generates energy in an overly erratic manner, or (3) for facilities where energy generation fluctuates disproportionately. This proposed modification would be consistent with Energy Division's current calculation methodology.[13]

B. ORA supports using the Avoided Line Loss Factors from the Most Recent Long-Term Procurement Plan (LTPP) Assumptions and Scenarios for Calculating Avoided Transmission and Distribution Line Losses for Demand Response (DR) Resources in the RA Proceeding.

Energy Division proposes to amend the QC Calculation Manual to specify the use of avoided line loss factors from the most recently adopted LTPP Assumptions and Scenarios when "grossing up" QC values for DR resources. Energy Division staff finds the current methodology of "using a 3% transmission and distribution loss rate 'from the most recent . . . general rate case'" to be overly cumbersome as the information is often buried in confidential workpapers wherein the relevant information is difficult to parse out.[14]

Using recent LTPP Assumptions and Scenarios is a Commission-accepted method of obtaining avoided line loss factors and appropriate for "grossing up" QC values. Therefore, ORA supports Energy Division's proposal to use current LTPP Assumptions and Scenarios in order to ensure consistency with the LTPP planning assumptions,

[12] Energy Division proposals, p. 7.

[13] See Energy Division proposals, p. 7.

[14] Energy Division proposals, p. 9.

increase stakeholder transparency, and relieve the administration burden on Energy Division staff.

III. CONCLUSION

ORA's pre-workshop comments on the Energy Division proposals are summarized as follows:

1. Energy Division's proposal to develop QC Calculation Manual revisions to account for differentiation of solar PV and solar thermal should be adopted if this effort can be completed with stakeholder involvement at least one year ahead of ELCC calculations.
2. Energy Division's proposal to eliminate meter data recorded prior to the COD of an intermittent facility when calculating QC is appropriate.
3. ORA supports a modified Option 2 which would exclude proxy data creation for (1) facilities which have cumulative outages exceeding six months, or (2) outages which do not affect generation, or (3) facilities where generation is overly erratic or fluctuates disproportionately.
4. ORA supports using the avoided line loss factors from the most recent LTPP Assumptions and Scenarios for Calculating Avoided Transmission and Distribution Line Losses for Demand Response Resources in the RA Proceeding as being efficient, consistent with the LTPP proceeding, and transparent for stakeholders.

Respectfully submitted,

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