

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**

03/23/20  
04:59 PM

Order Instituting Rulemaking to Oversee the  
Resource Adequacy Program, Consider  
Program Refinements, and Establish Forward  
Resource Adequacy Procurement Obligations.

Rulemaking 19-11-009  
(Filed November 7, 2019)

**COMMENTS OF THE CENTER FOR ENERGY EFFICIENCY AND  
RENEWABLE TECHNOLOGIES ON TRACK 2 PROPOSALS,  
MARCH 5, 2020 WORKSHOP, AND WORKING GROUP REPORTS**

**MEGAN M. MYERS**  
Attorney  
Center for Energy Efficiency and  
Renewable Technologies  
110 Oxford Street  
San Francisco, CA 94134  
Telephone: (415) 994-1616  
E-mail: [meganmmyers@yahoo.com](mailto:meganmmyers@yahoo.com)

**JAMES H. CALDWELL, JR.**  
Senior Consultant  
Center for Energy Efficiency and  
Renewable Technologies  
1650 E. Napa Street  
Sonoma, CA 95476  
Telephone: (443) 621-5168  
E-mail: [jhcaldwelljr@gmail.com](mailto:jhcaldwelljr@gmail.com)

Dated: March 23, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the  
Resource Adequacy Program, Consider  
Program Refinements, and Establish Forward  
Resource Adequacy Procurement Obligations.

Rulemaking 19-11-009  
(Filed November 7, 2019)

**COMMENTS OF THE CENTER FOR ENERGY EFFICIENCY AND  
RENEWABLE TECHNOLOGIES ON TRACK 2 PROPOSALS,  
MARCH 5, 2020 WORKSHOP, AND WORKING GROUP REPORTS**

The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Comments on the following filed or held in this Rulemaking (R.) 19-11-009 (Resource Adequacy (RA)): Track 2 Proposals filed on February 21, 2020; the Track 2 Workshop held on March 5, 2020; and the Working Group Reports filed on March 11, 2020. These Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure, the Assigned Commissioner's Scoping Memo and Ruling issued on January 22, 2020 (Scoping Memo), and the Administrative Law Judge's (ALJ's) Ruling Modifying Track 2 Schedule issued on February 28, 2020 (February 28 ALJ's Ruling).

By the February 28 ALJ's Ruling, parties were directed to consolidate their comments on the Track 2 proposals, Workshop, and Working Group reports into one filing.<sup>1</sup> CEERT has done so here. However, CEERT has also worked diligently along with other parties to reach agreement on certain specific Track 2 Proposals and the Hybrid Counting Convention Working Group Report to provide a unified position on those issues. To that end, CEERT has joined in the following also filed today: (1) Joint Opening Comments of California Efficiency + Demand Management Council, California Energy Storage Alliance, Center for Energy Efficiency and

---

<sup>1</sup> February 28 ALJ's Ruling, at p. 3.

Renewable Technologies, CPower, Enel X North America, Inc., Leapfrog Power, Inc., OhmConnect, Inc., SunRun, Inc., and Tesla, Inc., on the Energy Division Proposal A: Revising Maximum Cumulative Capacity (MCC) Buckets, and (2) Joint Opening Comments of California Energy Storage Alliance, Center for Energy Efficiency and Renewable Technologies, and Southern California Edison Company on the Hybrid Counting Working Group Final Report Submitted by San Diego Gas & Electric Company (U 902 E) and the California Energy Storage Alliance.

CEERT appreciates the conscientious efforts by these parties to reach unified positions on these issues that clearly merit the Commission's consideration and adoption. By these Opening Comments, CEERT provides its additional and separate positions on Track 2 as a whole and as to specific Track 2 proposals and Workshop reports that are not otherwise addressed in the Joint Opening Comments identified above.

## **I. CEERT POSITION ON TRACK 2**

CEERT greatly appreciates the current efforts of the Commission in these trying times of shelter-in-place to advance the dialogue on critical Resource Adequacy (RA) issues that will be addressed and resolved in the Track 2 Decision to be issued in June 2020. That Track 2 Decision will not only adopt local capacity requirements for 2021 – 2023 and flexible capacity requirements for 2021, but can also, based on the Track 2 record, make needed short term modifications to RA and set up the continued broader discussion about RA reform that will take place in Tracks 3 and 4, which are expected to conclude in Q1 2021 and June 2021, respectively.<sup>2</sup>

---

<sup>2</sup> Scoping Memo, at pp. 7-8.

CEERT, however, also believes that it is important for the Commission in reaching its Track 2 Decision and taking further action in Tracks 3 and 4 to be mindful of the overlap between these efforts and other related Commission proceedings. These include, but are not limited to, the RA Imports Track 1 of this Rulemaking, the Procurement Track of R.16-02-007 (Integrated Resource Planning (IRP)), Track 1 of R.19-09-009 (Microgrids-Resiliency), and R.20-01-007 (Gas Reliability and Planning), for which the first Prehearing Conference (PHC) will be held tomorrow, March 24, 2020, by teleconference.

All of these proceedings attempt to balance grid reliability with consumer cost while making progress on longer term policy matters related to vital greenhouse gas emission reductions in a time of systemic tightening of the supply/demand balance for “capacity related resources” to satisfy RA requirements. Achievement of this overarching goal is mission critical and needs to guide the Commission’s resolution of individual details in these separately siloed, but related proceedings. CEERT strongly urges the Commission’s ongoing recognition of this circumstance and the need for continued, coordinated efforts between these proceedings to ensure resolution of their important, related issues in this broader context in this time of rapid change and societal disruption.

**II.**  
**CEERT COMMENTS ON TRACK 2 WORKING GROUPS, PROPOSALS,  
AND REPORTS NOT ADDRESSED IN JOINT OPENING COMMENTS.**

CEERT offers the following Opening Comments on the Track 2 Working Group process that concluded with the filing of the Working Group Reports on March 11, 2020. These positions are separate from, and in addition to, those reflected in the Joint Opening Comments noted above that CEERT has joined today.

## **A. Demand Response Counting Working Group**

CEERT attended both Demand Response Counting Working Group in-person meetings on February 13 and February 24, 2020, participated in the February 20 Webex on Parking Lot issues from the February 13 meeting, and submitted informal comments (suggested edits) on the March 11 Working Group Report. In general, CEERT supports positions taken in this proceeding by the California Efficiency and Demand Management Council (Council), including those reflected in the Joint Opening Comments on MCC Buckets filed today.

Separate from that, however, in suggested edits to the March 11 Working Group Report, CEERT emphasized the connectivity between the DR issues being addressed in this and other proceedings. To that end, CEERT asked that the following language be included in that Report:

Given the complexity of these issues, the fact that they implicate and interact with many separate proceedings that overlap and potentially conflict with each other, there is a critical need to reserve part of the process for a holistic look at the cumulative impact of all of the proposals and market trends discussed above on the quantity of DR available to the system and the effective prices expressed in \$/kw-mo...<sup>3</sup>

CEERT elaborates on this recommendation here. Namely, CEERT recommends the following:

1. The Energy Division should compile and publish a Report in similar format and detail as the Annual Resource Adequacy Report on the history of Demand Response participation in California Independent System Operator (CAISO) markets before and after Decision (D.) 14-03-026 (DR Bifurcation Decision), which should include the following: MW of Demand Response available for dispatch by the CAISO, number of participating customers by customer class, customer participation payments, and MWH actually dispatched during each year. This Report should be made part of the record in this and any successor RA Rulemaking.

---

<sup>3</sup> Report of the Track 2 Demand Response Counting Working Group, March 11, 2020, Appendix A, at p.27.

2. An independent consultant should be retained to compare this information with technical and economic potential quantities and prices in the various versions of the Demand Response Technical Potential Studies authored by Lawrence Berkeley National Laboratory,<sup>4</sup> along with contemporaneous experience in other organized markets in ERCOT, PJM, France and any other venue the Consultant deems appropriate.
3. This information should be provided on the record to the Commission for use in its present and future RA Rulemakings.

### **B. Effective Load Carrying Capability (ELCC) Working Group**

CEERT did not actively participate in the ELCC Working Group, but did follow the deliberations closely and supports the recommendation by, among others, San Diego Gas and Electric Company (SDG&E) to utilize the results of the Joint Investor Owned Utility (IOU) ELCC study performed as part of the Renewable Portfolio Standard (RPS) Program Rulemaking (R.18-07-003) in Track 3 and 4 of this proceeding, and, further, to add a Technical Review Group to that process from this RA Working Group members to ensure consistency between the RA and RPS Rulemakings.<sup>5</sup>

CEERT observes that ELCC will be utilized for the foreseeable future in Resource Adequacy Rulemakings and that, in spite of the theoretical correctness of the generic methodology, it is unlikely, given the data intensity and computational complexity of ELCC and different considerations for different purposes, that this topic will ever result in a durable universal consensus. As Resource Adequacy evolves with changing circumstances, so will ELCC.

---

<sup>4</sup> See, CPUC Website “Demand Response Evaluation and Research” at: <https://www.cpuc.ca.gov/General.aspx?id=10622> .

<sup>5</sup> SCE, Calpine Corporation, and CAISO Joint Report for the Track 2 Effective Load Carrying Capacity Working Group, March 11, 2020, at p.12.

### **C. Hydro Counting Working Group**

CEERT did not actively participate in this Working Group and did not follow closely the deliberations. However, considering the urgency to have some more accurate and consistent counting methodology for near term RA purposes, CEERT has read and considered the Working Group Final Report and supports the Joint Proposal of Pacific Gas and Electric Company (PG&E), SCE, and CAISO.<sup>6</sup>

### **III. CONCLUSION**

CEERT appreciates this opportunity to provide these Opening Comments on the Track 2 Proposals, Workshop, and Working Group Reports, and respectfully asks that the above recommendations, along with those made in the Joint Opening Comments referenced above and also filed today, be included in the June 2020 Track 2 Decision. CEERT does not repeat the substantive recommendations made in those Joint Opening Comments here, but does wish to emphasize and commend the effort of these multiple parties to reach a consensus position. In both cases, collaboration between these parties took time to reach joint recommendations based on the record.

On this point, the March 11 Hybrid Counting Working Group Report stated

“The Co-Chairs recommend that the Commission provide a means for additional stakeholder discussion of modifications to the SCE proposal for the ITC Limited charging case where 100% of the energy is from on-site charging, as there is the possibility of consensus among the parties to move to the use of a version of the Additive Method to replace the interim approach adopted in D.20-01-004. The Co-Chairs also recommend that working groups should be allowed to continue to resolve the issues noted above, sync up with the CAISO hybrid initiative and review the Joint IOU ELCC study results performed as part of the RPS proceeding.”<sup>7</sup>

---

<sup>6</sup> SCE and CAISO Joint Report for Track 2 Hydro Counting Working Group, March 11, 2020, Appendix B.

<sup>7</sup> SDG&E and CESA Hybrid Counting Working Group Final Report, March 11, 2020, at p.18.

To that end, following issuance of this report, Southern California Edison Company (SCE) and CEERT convened a process to continue these discussions and held a conference call on that same day, March 11, with selected Working Group members which was followed by numerous e-mail exchanges and telephone conferences leading to the Joint Opening Comments by SCE, CESA and CEERT expressing partial consensus on these issues. This outcome was also made possible by San Diego Gas and Electric Company (SDG&E) and the California Energy Storage Alliance (CESA) running a fair and open Working Group process. CEERT appreciates these efforts and also looks forward to continuing these discussions in the CAISO Hybrid Stakeholder process scheduled to commence in April with a schedule for completion leading to a CAISO Board Resolution in October 2020, in time for inclusion in Track 3 of this proceeding.

Respectfully submitted,

March 23, 2020

/s/ MEGAN M. MYERS  
Megan M. Myers  
110 Oxford Street  
San Francisco, CA 94134  
Telephone: 415-994-1616  
Facsimile: 415-387-4708  
Email: [meganmmyers@yahoo.com](mailto:meganmmyers@yahoo.com)

*And*

James H. Caldwell, Jr.  
1650 E. Napa Street  
Sonoma, CA 95476  
Telephone: (443) 621-5168  
E-mail: [jhcaldwelljr@gmail.com](mailto:jhcaldwelljr@gmail.com)

FOR:  
CENTER FOR ENERGY EFFICIENCY  
AND RENEWABLE TECHNOLOGIES