



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED

04/02/20
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)

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

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April 2, 2020

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply 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 Reply 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), the Administrative Law Judge's Ruling Modifying Track 2 Schedule issued on February 28, 2020 (February 28 ALJ Ruling), and the Practitioner Alert issued by the ALJ Division on March 18, 2020.

**I.
SCOPE OF CEERT'S REPLY COMMENTS**

CEERT confines its Reply Comments to those specific issues that it believes need to be addressed in the Commission's June 2020 RA Decision. Those issues include: (1) hybrid resource counting rules, (2) the state of demand response (DR), and (3) Energy Division's Maximum Cumulative Capacity (MCC) buckets proposal. Other issues addressed in Track 2 and CEERT's Opening Comments are also critical, but can be further discussed and resolved in

Tracks 3 and 4. However, as CEERT stated in its Opening Comments, it remains imperative for the Commission in issuing its decisions in any of these tracks to continue “to be mindful of the overlap between these efforts and other related Commission proceedings,” especially to ensure that California can achieve its “mission critical” climate change goals.¹

II. HYBRID RESOURCE COUNTING RULES

CEERT notes the further progress on consensus on the issue of hybrid resource counting rules that has occurred since the Working Group report was published on March 13, 2020. In particular, CEERT notes that, on March 23, 2020, this further progress led to jointly filed Opening Comments by three parties representing distinct interests² and near unanimous support in the Opening Comments of other parties³ for the immediate replacement of the current “Greater Of” hybrid counting rule adopted in D.20-01-004 with the “derated Additive” methodology proposed by Southern California Edison Company (SCE).⁴

In addition, significant information relevant to further development of a more durable hybrid resource counting rule should occur in Track 3 following conclusion of the California Independent System Operator (CAISO) Stakeholder process on this topic due to begin this month (April 2020) leading to a CAISO Board vote in October 2020 and the availability of

¹ CEERT Track 2 Opening Comments, at p. 3.

² Joint Track 2 Opening Comments of California Energy Storage Alliance (CESA), CEERT, and Southern California Edison Company (SCE) on the Hybrid Counting Working Group Final Report Submitted by San Diego Gas & Electric Company (U 902 E) (SDG&E) and CESA (March 23, 2020).

³ Golden State Clean Energy Track 2 Opening Comments, at p. 2; Tesla Track 2 Opening Comments, at p. 2; American Wind Energy Association Track 2 Opening Comments, at p.1; California Community Choice Association (Cal CCA) Track 2 Opening Comments, at p. 5; Calpine Corporation (Calpine) Track 2 Opening Comments, at p. 1; CAISO Track 2 Opening Comments, at p. 15; CESA Track 2 Opening Comments, at p. 3; Alliance for Retail Energy Markets (AREM) Track 2 Opening Comments, at p.18; Pacific Gas and Electric Company (PG&E) Track 2 Opening Comments, at p. 14; Middle River Power, LLC, Track 2 Opening Comments, at p. 5; Public Advocates Offices (PAO) Track 2 Opening Comments, at p. 2; Large-scale Solar Association (LSA) and Solar Energy Industries Association (SEIA) Track 2 Opening Comments at p. 6; Joint Track 2 Opening Comments of CESA, CEERT and SCE, at p. 2.

⁴ R.19-11-009 (RA) SCE Renewable & Energy Storage Hybrid RA QC Proposal (February 12, 2020).

results from the Joint Investor Owned Utilities Effective Load Carrying Capacity (ELCC) study being conducted in R.18-07-003 (Renewable Portfolio Standard (RPS)).⁵ Finally, CEERT repeats its call for a Technical Review Committee from the Hybrid Counting Working Group to be appointed for this ELCC study to pre-vet the results and ensure their applicability to RA specific issues.

III. STATE OF DEMAND RESPONSE

CEERT notes the very broad range of Opening Comments without any meaningful progress towards consensus on multiple issues dealing with Demand Response.⁶ CEERT again points out that this discussion is all taking place without any consideration of cumulative impacts on either the quantity of Demand Response, its costs, or its reliability as a legitimate RA resource.

The DR resource is too important to the future of the grid and too critical a component of Resource Adequacy for this to continue. Instead, the Commission should be engaged in examining how Demand Response is currently utilized in other organized markets around the globe and where and why it is falling so short of the technical and economic promise for California as articulated in the Lawrence Berkeley National Laboratory studies conducted on behalf of this Commission⁷ as the basis for developing a meaningful roadmap for DR to grow,

⁵ D.19-09-043, Ordering Paragraphs 1 and 2, at pp. 32-33.

⁶ See, e.g., CalCCA Track 2 Opening Comments, at p.14; Calpine Track 2 Opening Comments, at pp. 9-11; CAISO Track 2 Opening Comments, at p.2; SCE Track 2 Opening Comments, at pp.8-14; California Efficiency + Demand Management Council, CPower, Enel X North America, Inc., Leapfrog Power, Inc., and OhmConnect, Inc., Joint Track 2 Opening Comments, at p.13; AREM Track 2 Opening Comments, at pp. 10-12.

⁷ See, <https://www.cpuc.ca.gov/General.aspx?id=10622>.

not be diminished, as a valuable RA Resource. That process should start with directions to that end ordered by the Commission in its June 2020 RA Decision.⁸

IV. ENERGY DIVISION’S MCC BUCKETS PROPOSAL

CEERT notes the sharp split in views about the Energy Division’s MCC Buckets proposal and the lack of consensus on its merits. Even Calpine Corporation (Calpine), which “supports the objectives of the MCC buckets in general,” “believes [these] issues might be better addressed in Track 3.”⁹ In addition to this complete lack of unanimity on support for Energy Division’s proposal, there is also no compelling reason why it would be necessary, much less useful, to adopt this far-reaching proposal in the Commission’s June 2020 Track 2 Decision. Instead, the June 2020 Track Decision should either reject the proposal or defer its consideration to a later track.

V. CONCLUSION

CEERT appreciates this opportunity to provide these Reply Comments on the Track 2 Proposals, March 5, 2020 Workshop and Working Group Reports. CEERT again urges the Commission to address the above issues in the manner recommended by CEERT here and in its Track 2 Opening Comments in its June 2020 RA Decision.

⁸ This RA Rulemaking is the only proceeding in which such an order can be made where a new DR OIR anticipated to be issued following actions taken upon the closure of the last DR OIR (R.13-09-011) in 2017 has never materialized.

⁹ Calpine Opening Comments, at p. 15.

April 2, 2020

Respectfully submitted,

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On Behalf of the
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