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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to
Continue Electric Integrated Resource
Planning and Related Procurement
Processes.

Rulemaking 20-05-003

**ADMINISTRATIVE LAW JUDGE'S RULING SCHEDULING
PREHEARING CONFERENCE AND SEEKING COMMENTS
ON PROPOSED PROCEEDING SCHEDULE**

Summary

This ruling sets a telephonic prehearing conference (PHC) in this rulemaking, with logistical details, and invites parties to file comments on a new version of the proposed schedule and sequencing of activities in the proceeding, given in Attachment A, in advance of the PHC. Parties wishing to file comments on the proposed schedule may do so in a consolidated set of comments, combined with the reply comments on the order instituting rulemaking, to be filed and served no later than July 6, 2020. Reply comments, which may include comments on any discussion that occurs at the PHC, may be filed and served no later than July 24, 2020.

1. PHC Logistics

A telephonic PHC is scheduled in this proceeding for July 14, 2020 at 10 a.m. The PHC will be by telephone only, due to the ongoing impacts of sheltering in place during the COVID-19 virus outbreak. Details for how to participate are as follows:

Call in phone number: (800) 857-1917

Participant passcode, for parties who will be speaking: 27238

Listen-only passcode, for those not speaking: 2424613

Due to the large number of individuals anticipated to participate, oral motions for party status will not be entertained during the PHC. Instead, entities may signal their interest in formal party status either by filing comments responsive to the Order Instituting Rulemaking (OIR) document as specified therein, or by filing a written motion for party status explaining their interest in participating in accordance with Rule 1.4 of the Commission's Rules of Practice and Procedure.

Entities need not have achieved party status prior to the PHC in order to participate in the PHC. However, each organization must select one individual to speak on its behalf during the PHC. Entities are asked to designate the specific individual to me by no later than 5:00 p.m. on July 8, 2020, by sending an email with the subject line: "R.20-05-003 IRP OIR: Designated Representative for PHC." The email should contain the name of the representative, the representative's email address and phone number, and which entity the individual is representing.

Because of the telephonic format, it will necessarily be more formal than an in-person PHC. Representatives are reminded that the court reporters will need to transcribe the proceedings, and therefore individuals should:

- Speak only when identified or called upon;
- Mute the conference line when not speaking;
- Identify themselves and their affiliation each time they speak;
- Speak slowly and clearly;
- Avoid speaking over each other or interrupting; and

- Expect the court reporters to interrupt them, if necessary, to fill in garbled or inaudible statements.

Finally, several days in advance of the PHC, I will email out to all participants the order in which entities will have the opportunity to speak, as well as a complete agenda for the PHC. I anticipate going through the list of speakers at least twice during the PHC.

By the time the PHC takes place, entities will have had the chance to file written comments in response to the OIR, as specified in the OIR, as well as comments in response to this ruling, in combination with the reply comments in response to the OIR. All of that written input will be read prior to the PHC, so it will not be necessary for individuals to repeat their written comments in detail. However, speakers may offer a summary of the key points they wish to emphasize.

I expect that speakers will likely want to address briefly at least the following items:

- Any matters of scope that were not included in the OIR and its preliminary scoping memo;
- The need for hearings;
- The categorization of the proceeding, if the speaker thinks it should be changed from the Commission's preliminary designation of this proceeding as ratesetting; and
- The schedule for the proceeding.

More details about the preliminary proposed schedule for the proceeding, as well as opportunities to comment on it in writing, are included in the next section of this ruling.

2. Integrated Resource Plan (IRP) Cycle Schedule

Attached to this ruling, in Attachment A, is a proposed detailed schedule being issued for comments in advance of the PHC and for discussion at the PHC.

Attachment A proposes a three-year cycle for the IRP process, instead of the current structure of conducting each cycle every two years.

The three-year cycle proposal is an attempt to balance a number of competing needs that have been identified in the course of conducting the first cycle and part of the second cycle of the current two-year process.

In particular, the current two-year cycle design causes an acute timing crunch during the evaluation of the individual IRP submissions from load serving entities (LSEs). The current structure is designed around the modeled analysis of a reference system portfolio (RSP) to provide guidance to the LSEs in preparing their individual IRPs. However, the need to produce that analysis (using multiple models that must be calibrated and benchmarked), plus allow time for LSEs to use it in planning, creates a time crunch for evaluation of the individual and collective IRP filings, in order to stay on track with the annual Transmission Planning Process (TPP) of the California Independent System Operator and utilizing the annual outputs and assumptions of the California Energy Commission's annual Integrated Energy Policy Report.

To attempt to address this time crunch, the proposed schedule and sequencing in Attachment A to this ruling contemplates the production of an RSP, followed by a Preferred System Portfolio (PSP), during a three-year cycle, instead of a two-year cycle. This would allow more time for analysis, as well as more time for stakeholder scrutiny and input. The proposal is also designed to allow for more integrated analysis of and ordering of procurement by LSEs, when the need is identified. Attachment A presents the activities of four parallel work streams, related to the development of the RSP, the PSP, the Procurement Track laid out in Decision 19-04-040, and the TPP.

Parties are invited to file and serve initial comments on the proposal in Attachment A by no later than July 6, 2020. Parties may also offer alternative proposed schedules. For purposes of efficiency, parties may combine the comments on the proposed schedule in Attachment A of this ruling with any reply comments they wish to make in response to other parties' opening comments on the OIR. Thus, the deadline given in the OIR for reply comments no later than 45 day of its issuance is hereby extended to July 6, 2020, to be combined with any comments in response to this ruling.

I expect the schedule proposal and parties' reactions to it will be the primary topic of discussion at the July 14, 2020 PHC. After the PHC is held, parties are invited to file reply comments in response to the July 6, 2020 comments and any discussion that takes place at the PHC, by filing and serving their replies no later than July 24, 2020.

After the PHC, the Assigned Commissioner will issue the Scoping Memo for this proceeding, including the adopted schedule.

IT IS RULED that:

1. A telephonic-only prehearing conference is scheduled in this proceeding for Tuesday, July 14, at 10 a.m. The telephone number for participation is (800) 857-1917 and the speaker passcode is 27238. Non-speaking listeners may use passcode 2424613. Further logistical details are provided in the text of Section 1 of this ruling.

2. Entities who would like to speak at the prehearing conference shall email the assigned Administrative Law Judge at julie.fitch@cpuc.ca.gov no later than 5:00 p.m. on July 8, 2020, with the subject line "R.20-05-003 IRP OIR: Designated Representative for PHC" and include the following information in the body of the email:

- (a) the name of the representative;
- (b) the representative's email address and phone number; and
- (c) which entity the individual is representing.

3. Interested parties may file and serve comments on the proposed three-year integrated resource planning schedule detailed in Attachment A of this ruling by no later than July 6, 2020. Those comments may be combined with any reply comments in response to other parties' comments on the initial order instituting rulemaking (OIR) (due to be filed June 15, 2020), which would have been due by June 30, 2020. Thus, the deadline for reply comments on the OIR is extended to July 6, 2020 and parties may file one set of comments for purposes of both reply comments on the OIR and initial comments on Attachment A of this ruling.

4. Interested parties may file and serve reply comments on the proposed three-year schedule in Attachment A of this ruling, as well as in response to any other topics discussed at the July 14, 2020 prehearing conference, by no later than July 24, 2020.

Dated June 15, 2020, at San Francisco, California.

/s/ JULIE A. FITCH

Julie A. Fitch
Administrative Law Judge

ATTACHMENT A

Proposed Integrated Resource Plan Proceeding Schedule

3-year Integrated Resource Planning (IRP) cycle proposal, including for current cycle

- Year 1: Reference System Portfolio (RSP) development
- Year 2: Individual IRP preparation and consideration
- Year 3: Preferred System Portfolio (PSP) adoption

Characteristics of the 3-year cycle

- A 3-year cycle balances two competing needs:
 - o Allows enough RSP and PSP frequency to:
 1. Reassess the 2030 greenhouse gas (GHG) target several more times before 2030, including during adoption of the 2021 PSP, 2022 RSP, 2024 PSP, and 2025 RSP.
 2. Incorporate up-to-date resource cost and potential information into modeling, as well as extend planning horizon.
 3. Evaluate need for large-scale, long-lead time resources that load serving entities (LSEs) may not procure on their own.
 4. Provide up-to-date planning direction to LSEs and other Commission planning/procurement processes (e.g., energy efficiency, integrated distributed energy resources, renewables portfolio standard, etc.), as well as market signals.
 - o Allows more time within each year for:
 1. Commission staff development of optimal portfolios and procurement track direction.
 2. Stakeholders to vet the proposed portfolios, plans, and procurement orders.
 3. LSEs to develop robust IRP filings.
 - There are opportunities for new procurement requirements at least twice during every three-year cycle.
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Bold text indicates a Proposed Decision (PD) or Decision issued by the Commission

Underlined text indicates an LSE filing

Italicized text indicates a Commission action that may or may not happen depending on a need determination

		Reference System Plan (RSP) Development	Preferred System Plan (PSP) Development	Procurement Framework Development and Implementation	Development and Submission of Portfolios for CAISO Transmission Planning Process (TPP)
2020	Q1	- 2019 RSP adoption (D.20-03-028)			- Transmit 2020-21 TPP portfolios to CAISO
	Q2		- Ruling finalizing Load Serving Entity (LSE) load forecasts and GHG benchmarks	- Ruling on backstop procurement and cost allocation framework	
	Q3		- Modeling Advisory Group (MAG) meeting examining GHG emissions modeling differences - <u>LSE IRP filings due (Sep. 1)</u>	- Ruling issuing procurement framework staff proposal - Workshop on procurement framework staff proposal - Prepare for Resource Need analysis	- Ruling or informal stakeholder engagement on busbar mapping methodology
	Q4		- Ruling on resubmittals of deficient LSE plans, if needed	- Analysis of aggregated plans - Sensitivity analysis for long lead-time resources	- Receive results from 2020-21 TPP - Proposed Decision (PD) on 2021-22 TPP portfolios
2021	Q1		- MAG/workshop on reconciled portfolio aggregations - Production cost modeling of portfolios	- MAG/Workshop on Procurement Track analysis - <i>If need determination triggered by analysis of aggregated plans, Ruling proposing resource procurement.</i>	- Decision transmitting 2021-22 TPP portfolios to CAISO

		Reference System Plan (RSP) Development	Preferred System Plan (PSP) Development	Procurement Framework Development and Implementation	Development and Submission of Portfolios for CAISO Transmission Planning Process (TPP)
2021				- Proposed Decision (PD) finalizing procurement framework	
	Q2		- MAG/workshop on PSP options	- <i>If need determination triggered in Q1 Ruling, PD ordering procurement, followed by Decision.</i>	- Webinar on busbar mapping methodology
	Q2		- <u>LSE filings due updating baseline contracts in their IRPs</u>	- <i>If need determination triggered by PSP analysis, Ruling proposing resource procurement</i>	
	Q3	- New inputs due from various resource areas (e.g. potential studies, etc.) - Inputs & Assumptions (I&A) development for 2022 RSP	- Proposed Decision (PD) issuing PSP	- <i>If need determination triggered in Q2 Ruling, PD ordering resource procurement, either stand-alone or combined with PSP PD</i>	- Ruling on final busbar mapping methodology
	Q4	- I&A development for 2022 RSP	- 2021 PSP adoption	- <i>Commence new procurement based on stand-alone Q3 PD or PSP adoption</i>	- Receive results from 2021-22 TPP - PD on 2022-23 TPP portfolios
2022	Q1	- Scenario development for 2022 RSP			- Decision Transmitting 2022-23 TPP portfolios
	Q2	- Process alignment with other proceedings	- <u>LSE filings due updating baseline contracts in their IRPs</u>		
	Q3	- Ruling on RSP			
	Q4	- PD on RSP			- PD on 2023-24 TPP portfolios

		Reference System Plan (RSP) Development	Preferred System Plan (PSP) Development	Procurement Framework Development and Implementation	Development and Submission of Portfolios for CAISO Transmission Planning Process (TPP)		
2023	Q1	<ul style="list-style-type: none"> - 2022 RSP adoption <ul style="list-style-type: none"> o 2035 planning horizon o New 2030 GHG target informed by 2022 Scoping Plan Update o Planning direction to other Commission programs and proceedings 		<p><i>If need determination triggered, new procurement based on 2022 RSP; includes planning/investment direction for other programs and proceedings</i></p>	<p>- Decision Transmitting 2023-24 TPP portfolios</p>		
	Q2					- <u>LSE IRP filings due (May 1)</u>	
	Q3					<ul style="list-style-type: none"> - Ruling on resubmittals of deficient LSE plans - Analysis of LSE filings 	
	Q4					- Analysis of LSE filings	
2024	Q1		<ul style="list-style-type: none"> - Analysis of LSE filings - Ruling on 2024 PSP options 		- Decision Transmitting 2024-25 TPP portfolios		
	Q2		<ul style="list-style-type: none"> - PD on 2024 PSP - <u>LSE filings due updating baseline contract in their IRPs</u> 				
2024	Q3	<ul style="list-style-type: none"> - New inputs due from various resource areas (e.g. potential studies) - I&A development for 2025 RSP 	- 2024 PSP adoption				

		Reference System Plan (RSP) Development	Preferred System Plan (PSP) Development	Procurement Framework Development and Implementation	Development and Submission of Portfolios for CAISO Transmission Planning Process (TPP)
	Q4	- I&A development for 2025 RSP		- <i>If need determination triggered, new procurement based off 2024 PSP</i>	- PD on 2025-26 TPP portfolios
2025	Q1	- Scenario development for 2025 RSP			- Decision Transmitting 2025-26 TPP portfolios
	Q2	- Process alignment with other proceedings	- <u>LSE filings due updating baseline contracts in their IRPs</u>		
	Q3	- Ruling on RSP			
	Q4	- PD on RSP			- PD on 2026-27 TPP portfolios
2026	Q1	- 2025 RSP adoption <ul style="list-style-type: none"> o 2040 planning horizon o New 2030 GHG target informed by 2025 SB 100 report o Planning direction to other programs and proceedings 		- <i>If need determination triggered, procurement based off 2025 RSP; includes planning/investment direction for other programs and proceedings</i>	- Decision Transmitting 2026-27 TPP portfolios
	Q2		- <u>LSE IRP filings due (May 1)</u>		
	Q3		- Analysis of LSE filings		
	Q4		- Analysis of LSE filings - Ruling on PSP Options		