



FILED

09/23/20
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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

**ADMINISTRATIVE LAW JUDGE'S RULING
MODIFYING TRACK 3.B. SCHEDULE**

The Assigned Commissioner's Amended Track 3.A and 3.B Scoping Memo (Amended Scoping Memo) issued July 7, 2020, stated that Track 3.B would address several "more complex and somewhat less time-sensitive structural changes and refinements to the RA program."¹ Track 3.B was designated to include:

1. Examination of the broader RA capacity structure to address energy attributes and hourly capacity requirements, given the increasing penetration of use-limited resources, greater reliance on preferred resources, rolling off of a significant amount of long-term tolling contracts held by utilities, and material increases in energy and capacity prices experienced in California over the past years.
2. Other structural changes or refinements to the RA program identified during Track 1 or Track 2, including:
 - a. Incentives for load-serving entities that are deficient in year-ahead RA filings, as discussed in Decision (D.) 20-06-031;

¹ Amended Scoping Memo at 4.

- b. Multi-year system and flexible RA requirements, as stated in D.20-06-002; and
 - c. Refinements to the MCC buckets adopted in D.20-06-031.
3. Other time-sensitive issues identified by Energy Division or by parties.

The Amended Scoping Memo incorporated the following schedule for Track 3.B:

TRACK 3.B CALENDAR	
EVENT	DATE
Initial Track 3 proposals and comments on process from parties and Energy Division due	August 7, 2020
Potential working groups to aid in the development of proposals	August – September 2020
Workshop(s) on Energy Division and party proposals	Late September 2020 / Early October 2020
Final Track 3 proposals due	October 15, 2020
Comments on workshop and all proposals	November 6, 2020
Reply comments on workshop and all proposals	November 20, 2020
Proposed decision on Track 3.B	Q1 2021

Track 3.B proposals and comments on process were submitted on August 7, 2020. Energy Division staff stated that it is “concerned that the current schedule may be too ambitious, given the scope of potential issues associated with major changes to the RA framework.”² Energy Division staff proposes a lengthier schedule “to accommodate a number of iterations of proposals and allow for consideration of additional time early next year.”³ The California Independent System Operator (CAISO) comments that the Commission should

² Energy Division Track 3.B Proposal, Attachment A to ALJ Ruling, at 43.

³ *Id.*

“allow for additional time to discuss redesigning flexible resource adequacy counting rules and requirements, as well as multi-year system and flexible capacity procurement, in Track 4 or another track next year.”⁴ The Protect Our Communities Foundation (PCF) also recommends that the schedule be revised to allow more time for the complex issues to be addressed.⁵

The Amended Scoping Memo provided that “[t]o the extent necessary, and based on comments on the Track 3.B process, the assigned Commissioner or the assigned Administrative Law Judge (ALJ) may further adjust or supplement the schedule.”⁶ In consideration of comments on the Track 3.B process, and the complexity of the issues scoped for Track 3.B, the Track 3.B schedule will be modified to allow additional time to address the scoped issues with workshops and revised proposals.

The modified schedule adds two opportunities for revisions to Track 3.B proposals. The modified schedule also adds an opportunity to comment on the process, in conjunction with the submission of the second revised proposals, in order to allow parties to comment on whether additional process is warranted. To the extent necessary, and based on further comments on the Track 3.B process, the assigned Commissioner or the assigned ALJ may further adjust or supplement the modified schedule.

A decision on Track 3.B issues will be addressed in a June 2021 decision, in addition to Track 4 issues. A schedule for Track 4 has not yet been set and a separate Track 4 schedule will be provided in a forthcoming ruling.

Accordingly, the modified Track 3.B. schedule is set forth below:

⁴ CAISO Track 3.B Proposal at 31.

⁵ PCF Track 3.B Proposal at 2.

⁶ Amended Scoping Memo at 6.

MODIFIED TRACK 3.B CALENDAR	
EVENT	DATE
Workshop on draft Track 3.B proposals submitted August 7, 2020	November 2020
Revised Track 3.B proposals due	December 18, 2020
Comments on revised Track 3.B proposals due	January 15, 2021
Workshop on revised Track 3.B proposal	February 2021
Second revised Track 3.B proposals and comments on additional process due	March 9, 2021
Proposed decision on Track 3.B and Track 4	May 2021
Final decision on Track 3.B and Track 4	June 2021

IT IS RULED that the schedule for Track 3.B of this proceeding is modified as set forth above.

Dated September 23, 2020, at San Francisco, California.

/s/ DEBBIE CHIV
Debbie Chiv
Administrative Law Judge