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:

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

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.” 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.” The California Independent System Operator (CAISO) comments that the Commission should

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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:

⁶ Amended Scoping Memo at 6.
<table>
<thead>
<tr>
<th>EVENT</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop on draft Track 3.B proposals submitted August 7, 2020</td>
<td>November 2020</td>
</tr>
<tr>
<td>Revised Track 3.B proposals due</td>
<td>December 18, 2020</td>
</tr>
<tr>
<td>Comments on revised Track 3.B proposals due</td>
<td>January 15, 2021</td>
</tr>
<tr>
<td>Workshop on revised Track 3.B proposal</td>
<td>February 2021</td>
</tr>
<tr>
<td>Second revised Track 3.B proposals and comments on additional process due</td>
<td>March 9, 2021</td>
</tr>
<tr>
<td>Proposed decision on Track 3.B and Track 4</td>
<td>May 2021</td>
</tr>
<tr>
<td>Final decision on Track 3.B and Track 4</td>
<td>June 2021</td>
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</tbody>
</table>

**IT IS RUL**ED 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