OPENING COMMENTS OF
THE AMERICAN WIND ENERGY ASSOCIATION OF CALIFORNIA ON THE
ORDER INSTITUTING RULEMAKING EMERGENCY RELIABILITY

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In accordance with the schedule provided in the *Order Instituting Rulemaking Emergency Reliability* (“OIR”) issued on November 20, 2020, the American Wind Energy Association of California (AWEA-California)\(^1\) offers the following opening comments on this OIR.

DISCUSSION

While we appreciate the narrow timeframe of this OIR and understand the Commission’s focus on actions that the Commission and parties can implement before the summer of 2021, our opening comments will focus on the need to effectively implement the 3,300 MW procurement track requirement of D.19-11-016, with an emphasis on timely development of that capacity.\(^2\) We also note near-term planning actions the Commission can and should take immediately to marry the immediate need for new capacity with longer-term plans to help the State develop a glidepath to an affordable, reliable, resilient, and carbon-free grid.

With respect to measures that will increase supply during the peak demand and net

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\(^1\) AWEA-California represents global leaders in utility-scale renewable energy development, ownership, and operations. Participating companies develop and own utility-scale wind, solar, storage, offshore wind, and transmission assets. We work to drive immediate and sustained development of new utility scale renewable energy to propel California toward a carbon-free electric future, and advocate for procurement processes and market structures that fully value and deploy the energy and capacity attributes of renewables to achieve an affordable, reliable, resilient, and carbon-free grid.

demand peak hours in the summer of 2021, AWEA-California’s comments address the following questions:

1. **Should the Commission consider directing the IOUs to design a new paid advertising program for distributing CAISO’s Flex Alerts in various outlets, including social media? If so, how should the Commission authorize a budget dedicated to this purpose and what measures and budget level should be considered?**

   AWEA-California does not offer a response at this time, but may address this question in reply comments.

2. **Should the Commission modify the Critical Peak Pricing (CPP) program to increase the number of allowed events per year, modify other attributes, or provide guidance on when the program should be dispatched?**

   AWEA-California does not offer a response at this time, but may address this question in reply comments.

3. **Should the Commission explore potential options to encourage non-IOU LSEs to develop programs similar to CPP?**

   AWEA-California does not offer a response at this time, but may address this question in reply comments.

4. **Should the Commission increase IOU marketing funds to increase enrollment in CPP or take other actions to increase customer participation in the program?**

   AWEA-California does not offer a response at this time, but may address this question in reply comments.

5. **Should the Commission establish a new out-of-market and outside the RA framework emergency load reduction program (ELRP) that could be dispatched by CAISO/IOUs under specified conditions where participants are compensated only after the fact and based only on the amount of load reduction achieved during the dispatch window? If so, what are the key program design elements (e.g., dispatch conditions, compensation level, load reduction measurement considerations, target customer segments, etc.) that should be considered or incorporated? What other issues (such as interactions with existing supply-side and load-modifying programs) need to be considered in order to establish an ELRP? How should these issues be addressed?**
AWEA-California does not offer a response at this time, but may address this question in reply comments.

6. Should the Commission allow BTM hybrid-solar-plus-storage assets to participate and discharge their available capacity in excess of onsite load (and thus export to the grid) and receive compensation for the load reduction, including exported energy, under ELRP? Should this capability be expanded to include BTM stand-alone storage as well? Are there any Rule 21 or safety and reliability considerations that need to be addressed to permit storage, with or without NEM pairing, to export energy while participating in the ELRP? How should any safety and reliability issues be addressed?

AWEA-California does not offer a response at this time, but may address this question in reply comments.

7. Should the Commission allow BTM Back-Up Generators (BUGs) to participate in and receive compensation under the ELRP? If so, are there any Rule 21, safety and reliability, or other considerations that need to be addressed in order to permit BUGs to operate to reduce load or export energy while participating in the ELRP? How should these issues be addressed?

AWEA-California does not offer a response at this time, but may address this question in reply comments.

8. Should the Commission consider expedited procurement, including through the cost allocation mechanism for additional reliability procurement (e.g., expansion of existing gas-fired resources) that could be online for Summer 2021 and 2022? If so, how could this occur in order for the additional capacity to be online on time to address summer reliability needs. If not, why not?

AWEA-California regrets that the Commission has come to a point where discussion of extending or expanding California’s existing fleet of conventional resources is within scope. We acknowledge that nine months does not allow sufficient time for the traditional process of bringing additional utility-scale renewable resources online, and therefore suggest that the Commission prioritize deployment and additional procurement of clean capacity resources that can put the State on track to a reliable system without compromising its own air quality and decarbonization objectives. Any reliability procurement should be open to utility-scale
renewable and carbon-free resources, which can provide a low-cost and reliable solution to the State’s current reliability crisis.

The Commission can ensure reliability with clean energy resources by undertaking the following near-term policy actions:

1. Prevent interconnection and deliverability upgrade timelines from unnecessarily delaying the ability of new generation projects to provide Resource Adequacy. This includes: factoring interconnection upgrade risk into staff’s Status of New Resources Expected analysis; expediting, where possible, the Commission’s decisions over which permitting track upgrades should take; and working with the ISO and transmission owners to prioritize and expedite those upgrades with the most timely and impactful Resource Adequacy benefit.

2. Focus attention on advancing transmission upgrades and investments to expeditiously bring online all new renewable and clean capacity resources with established in-service dates, and that may otherwise be at risk of delays due to lack of transmission planning and interconnection development in recent years.

3. Recalibrate the Integrated Resource Planning process to ensure a reliable portfolio that aligns with the greenhouse gas reduction requirements of SB 100 and accounts for upcoming retirements, such as Diablo Canyon and several coastal once-through cooling plants.

4. Update procurement processes to recognize and account for grid services from inverter-based renewable resources and hybrid resources.

5. Add solar+storage and wind+storage configurations to RESOLVE, and model them and all renewables as dispatchable.
6. Work with the CAISO to recognize and consistently account for the value of hybrid resources.

7. Align day-ahead, real-time, and ancillary services markets to recognize the capabilities and constraints of a grid predominantly served by solar and wind resources.

9. If the CEC, CAISO, or the CPUC conducts additional analyses regarding Summer 2021 load forecasts, should the Commission consider a mechanism to update RA requirements in April for the summer of 2021 or would it be appropriate for CAISO to use its capacity procurement mechanism (CPM) to procure additional capacity for the summer of 2021, should it be deemed necessary?

   AWEA-California does not offer a response at this time but may address this question in reply comments.

10. Should the Commission undertake a stack analysis of the amount of resources that would be necessary for Summer of 2021?

   AWEA-California does not offer a response at this time but may address this question in reply comments.

11. Should the Commission consider requiring that load serving entities expedite the IRP procurement they have scheduled to come online? How would the Commission provide equitable incentives so that the expedited process does not disproportionately increase costs for that LSE? If so, please explain how this would work. If not, why not?

   AWEA-California has long supported expedited IRP procurement and renewable energy deployment, emphasizing the need for market certainty and recognizing realistic commercial timelines for development. Developers and LSEs are moving as quickly as possible to meet existing milestones and bring incremental new resources online; any requirement to expedite such deployment must also recognize the multiple phases of development that need to occur – and the multiple parties involved in each of those phases. AWEA-California addressed this issue in IRP comments earlier this year:
“D. 19-11-016 and the associated solicitations have described the urgency of bringing these new resources online; however, multiple unresolved regulatory issues (e.g. Resource Adequacy structure, timing / scope of future IRP procurement tracks, etc.) are posing new complications, potentially increasing costs associated with these projects. Developers are aware of the tight timeframe necessary to bring projects online, but it is incumbent upon all parties, including the Commission and individual LSEs, to create a straightforward procurement process. The procurement process should have reasonable milestones and equally applied accountability measures to bring projects online to meet system reliability needs in the near-term. … Regulatory certainty will improve market stability, which is necessary if California LSEs are to bring 25-37 GW of new renewable generation and storage online by 2030, as indicated by the CPUC’s Reference System Plan.”

We continue to urge the Commission to expedite procurement of a variety of utility-scale renewable products beyond what was required in D. 19-11-016. At a minimum, the Commission should reflect on the need for new capacity that has already been outlined by the CAISO.3 The CAISO recommend that the Commission “coordinate expedited procurement with any contracted for new resources included in the individual LSE IRPs but not delay procurement to wait for planned but unexecuted procurement referenced in the individual LSE IRPs.”

AWEA-California agrees with the CAISO’s statement that “[t]he Commission must ensure there are sufficient and diverse resources to meet this post-Diablo Canyon retirement need and reliably decarbonize the grid.” AWEA-California agrees. The Commission should focus any updates to existing procurement targets to make sure that the most cost-effective mix of resources are able to come online in time for mid-term reliability and clean capacity needs. We recognize the staggering need for clean capacity to power California’s economy over the next nine months and will continue to seek long-term certainty from the Commission in order to attract investments

and facilitate financing and development of new, affordable clean energy resources with diverse operating profiles to serve Californians.

12. Are there other opportunities for increasing supply for the summer of 2021 and/or reduce demand that the CPUC has not considered? If so, please provide details of these supply or demand resources and please explain how they can address reliability needs in the timeframe discussed in this OIR.

AWEA-California does not offer a response at this time but may address this question in reply comments.

13. Should the Commission consider revisions to the reliability DR programs (Base Interruptible Program-BIP, Agriculture Pump Interruptible-API, AC cycling) that allow these programs to be triggered before the Warning stage (e.g., after an Alert in the day-ahead timeframe)? If so, under what conditions and how would this work? If not, why not?

AWEA-California does not offer a response at this time but may address this question in reply comments.

14. Are there other changes to the BIP that would make it more effective to meet load under a variety of conditions during the summer of 2021 (e.g., expansion of the 2% cap, mid-year enrollment, trigger notification time, etc.)?

AWEA-California does not offer a response at this time but may address this question in reply comments.

15. Should the Commission consider authorizing another variation of the IOUs' Capacity Bidding Program in which customers can be dispatched in the Real-Time Market (RTM) under specified conditions? If so, what should be the required program attributes and dispatch conditions?

AWEA-California does not offer a response at this time but may address this question in reply comments.

16. Should the Commission order a supplemental Demand Response Auction Mechanism (DRAM) auction to be held in early 2021 to procure additional DR resources for summer 2021 (e.g., July – September)? If so, what level of budget authorization should be considered and why?
AWEA-California does not offer a response at this time but may address this question in reply comments.

17. Should the Commission explore short-term measures to expand electric vehicle (EV) participation in currently available DR programs (IOU DR, DRAM, non-IOU LSE DR)?

AWEA-California does not offer a response at this time but may address this question in reply comments.

18. Should the Commission consider measures to minimize potential attrition and loss of capacity in existing utility DR programs, such as increasing incentives, reducing dispatch activity limits, and clarifying expectations regarding when programs are dispatched?

AWEA-California does not offer a response at this time but may address this question in reply comments.

**CONCLUSION**

The Commission must take immediate action to address the acute need for new capacity within the next nine months, but such actions should not come at the expense of designing a system that achieves an affordable, reliable, equitable, and carbon-free portfolio for Californians in the years to come. Therefore, we urge the Commission to increase the scope of this proceeding or closely coordinate it with the IRP and RA proceedings to consider opportunities to optimize previous procurement orders for a diverse suite of renewable resources and to align near-term procurement with the most cost effective longer-term needs and the direction of the State envisioned by the authors of SB 100.

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Respectfully submitted

[Signature]

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