

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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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)

**NOTICE OF EX PARTE COMMUNICATION BY CENTER FOR ENERGY
EFFICIENCY AND RENEWABLE TECHNOLOGIES**

June 22, 2021

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Pursuant to Rule 8.4 of the Commission's Rules of Practice and Procedure, the Center for Energy Efficiency and Renewable Technologies (CEERT) hereby timely gives notice of one (1) ex parte communication.

This oral communication occurred on Friday, June 18, 2021. The oral communication was initiated by Megan M. Myers, Attorney for CEERT and occurred telephonically on Friday, June 18, 2021, at 2:30 p.m. with Anand Durvasula, Legal and Policy Advisor to Commission President Batjer and lasted approximately 25 minutes. CEERT timely filed and served a Three Working Days' Notice for this communication on June 15, 2021. Present at this meeting on behalf of CEERT were V. John White, Executive Director of CEERT; James H. Caldwell, Jr. Senior Consultant for CEERT; and Megan M. Myers, Attorney for CEERT.

Mr. White began this meeting by discussing CEERT's recommendations for the Proposed Decision Adopting Local Capacity Obligations for 2022-2024, Flexible Capacity Obligations for 2022, and Refinements to the Resource Adequacy Program, mailed in R.19-11-009 (RA) on May 21, 2021. Mr. White recommended that the Commission adopt CEERT's proposal for qualifying capacity (QC) counting of DC coupled hybrids.

Mr. Caldwell stated that the use of hybrids going forward in RA is very important. He also stated that the treatment of hybrids can get complicated due to different hybrid

configurations, market rules and the future direction of the RA program. However, the treatment of simple solar + storage or wind + storage hybrids under the current RA program is actually very simple. Last year's RA decision (D.20-06-031) adopted, in principle, a reasonable process for calculating the QC value of simple hybrids under the current RA paradigm. However, implementation of that decision requires different inputs depending on whether the hybrid is AC coupled or DC coupled.

Mr. Caldwell stated that the current methodology requires estimating the renewable energy required to recharge the battery, assumes that this energy is exclusively supplied by the paired renewable element, and ensures that it is not double counted in assessing the QC of the renewable + storage combination. This requires using the AC rating of the renewable component for an AC coupled hybrid and the DC rating of the renewable array for DC coupled hybrids. All of the information required to make this calculation is public and unambiguous. He further stated that this year's annual RA Proposed Decision is a fairly narrow decision about matters that must take place immediately and broader issues of reform are going to be addressed later. Mr. Caldwell recommended that the Commission adopt hybrid QC counting rules that prepare for the large IRP Mid Term procurement to take place under current RA rules. This requires the distinction between AC and DC coupled hybrids

Mr. Caldwell stated that robust DC hybrids are capable of producing energy at nameplate capacity levels from 10 in the morning to 10 at night. This is precisely the type of resource the IRP procurement requires. The market signal is what is important, but the problem is that there is not a lot of time and unless the distinction between AC and DC coupled hybrids is made in their QC valuation, developers will not be rewarded for making the extra investment for the extra benefits and will be disadvantaged in the resource selection process. Mr. White stated that

getting real world experience in the upcoming procurement while retaining a conservative QC valuation is critical . Mr. White continued that these issues must be addressed now.

In further compliance with Commission rules and instructions included in the Commissioners' Meeting Request forms, this notice has been served on the R.19-11-009 (RA) Service List and electronically copied to Batjer.Exparte@cpuc.ca.gov.

Respectfully submitted,

June 22, 2021

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