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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish  
Policies, Processes, and Rules to Ensure  
Reliable Electric Service in California in the  
Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003  
(Filed November 19, 2020)

**COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) ON  
CALIFORNIA ENERGY COMMISSION'S REVISED 2022 SUMMER STACK  
ANALYSIS**

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Dated: October 7, 2021

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**I. INTRODUCTION**

Pursuant to the *E-mail Ruling Taking Official Notice of "Revised Summer Stack Analysis,"* dated September 30, 2021 ("E-Mail Ruling"), and the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), Pacific Gas and Electric Company ("PG&E") respectfully provides its comments on the California Energy Commission ("CEC") staff's "Revised 2022 Summer Stack Analysis," adopted by the CEC on September 8, 2021, in Resolution No. 21-0908-8, and attached to the E-Mail Ruling ("Summer Stack Analysis").<sup>1</sup>

PG&E appreciates the CEC adopting the Summer Stack Analysis in response to stakeholder comments on the CEC staff's preliminary analysis, as presented at the CEC's business meeting held on August 11, 2021. The CEC staff's revisions demonstrate a concerted and continuing effort to identify potential resource shortfalls in order to forestall threats to system reliability. The analysis as presented by the CEC staff offers an improved, if limited, view into the volume and nature of resources available to the system during the net peak load window for July-September of 2022.

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<sup>1</sup> E-Mail Ruling, Attachment 2, *available at* <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=411231570>.

PG&E welcomes the opportunity to provide additional feedback on the analysis and offers the following comments concerning appropriate applications for this analysis, release of the underlying data, and the need to consider actions to address local capacity deficiencies.

## **II. PG&E'S COMMENTS**

### **A. The Summer Stack Analysis Should Not Be Used Alone to Determine Whether Procurement is Needed**

PG&E appreciates the significant efforts undertaken by the CEC to develop two rigorous reliability assessments in order to ensure reliability in the summer of 2022. Understanding the nature and volume of resources on the system is a vital step required to assess reliability risks and any potential need for procurement. PG&E acknowledges that these issues are increasingly complex, and both the Commission and the CEC must make difficult decisions to balance system reliability and customer costs.

Nevertheless, PG&E urges caution when solely using the Summer Stack Analysis to derive conclusions about the state of reliability. PG&E agrees with the CEC staff's characterization that the Summer Stack Analysis is only a "snapshot of a potential worst-case scenario on the California ISO system."<sup>2</sup> This snapshot alone is insufficient to justify additional emergency reliability procurement for the summer of 2022, especially considering the significant amount of procurement already ordered for that summer. Rather, the Summer Stack Analysis should be considered in tandem with the CEC's stochastic Loss of Load Expectation ("LOLE") analysis discussed in the Integrated Resource Planning proceeding,<sup>3</sup> and within the context of the extensive record before the Commission in this proceeding. As a result, the Summer Stack

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<sup>2</sup> Summer Stack Analysis, p. 2.

<sup>3</sup> See CEC Lead Commissioner Workshop Midterm Reliability Analysis & Incremental Efficiency Improvements to Natural Gas Power Plants, dated August 30, 2021, *available at* <https://efiling.energy.ca.gov/GetDocument.aspx?tn=239554&DocumentContentId=72991>.

Analysis as presented offers insufficient evidence of a 4,350-megawatt (“MW”) procurement need and should not be used as justification for a corresponding procurement order at those levels.

**B. PG&E Encourages the CEC to Release the Underlying Data**

In order for stakeholders to assess more thoroughly the veracity of the Summer Stack Analysis, the CEC should release the underlying data it used to derive the conclusions presented in Figures 1 through 3 of the Summer Stack Analysis. In review of the Final 2022 Net Qualifying Capacity (“NQC”) List,<sup>4</sup> PG&E found that approximately 41,950 MWs, 41,602 MWs, and 40,724 MWs of “drought adjusted” resources were available for July, August, and September 2022, respectively (see Table 1 below). By comparison, Figures 2 and 3 from the Summer Stack Analysis show less than 40,000 MWs of available resources for August and September 2022. While this difference is concerning, the lack of available underlying data supporting the Summer Stack Analysis makes it impossible to assess the source of that difference. PG&E believes the underlying data should be released before the Summer Stack Analysis is used to support any decisions concerning additional system reliability procurement beyond what was already ordered in Phase 1 of this proceeding.

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<sup>4</sup> California Independent System Operator Corporation (“CAISO”) Final Net Qualifying Capacity Report for Compliance Year 2022, *available at* <http://www.caiso.com/Documents/Final-Net-Qualifying-Capacity-Report-for-Compliance-Year-2022.xls>.

**Table 1: Aggregation of Available Resources Based on the Final 2022 NQC List**

Resource Type(s)	Jul	Aug	Sep
All Resource Types (Excl. Hydroelectric and Solar)	36,318	36,207	35,872
Hydroelectric	7,132	6,894	6,352
Solar	4,709	3,280	1,725
<b>Total NQC (MW)</b>	<b>48,159</b>	<b>46,382</b>	<b>43,950</b>
<b>1,500 MWs of Hydroelectric Derates and Solar</b>	<b>(6,209)</b>	<b>(4,780)</b>	<b>(3,225)</b>
<b>Total Drought Adjusted NQC (MW)</b>	<b>41,950</b>	<b>41,602</b>	<b>40,724</b>

**C. The Commission Should Also Consider Existing Local Procurement Needs Identified in the CAISO’s Final 2022 Local Capacity Technical Study and Authorize the Central Procurement Entity to Perform Emergency Procurement for 2022 and 2023 in Accordance with PG&E’s Proposal**

PG&E remains committed to providing constructive engagement in this proceeding in order to support the efforts of the Commission, CEC, and the CAISO to maintain system reliability without unduly sacrificing California’s climate and affordability goals. To this end, PG&E remains dedicated to meeting the procurement targets established in Decision (“D.”) 21-02-028 and D.21-03-056.

As explained in the PG&E Opening Brief and PG&E Reply Brief in Phase 2 of this proceeding,<sup>5</sup> PG&E proposes to expand its procurement authority in its role as the central procurement entity (“CPE”) in order to streamline and expedite procurement of needed local resources, which will also provide system resource adequacy benefits.<sup>6</sup> Because the Summer Stack Analysis only examines needs at the system level, it is important that the Commission also consider local capacity needs. Specifically, the CAISO’s recent Final 2022 Local Capacity

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<sup>5</sup> *Opening Brief of Pacific Gas and Electric Company (U 39 E) on Phase 2 Issues*, dated September 20, 2021 (“PG&E Opening Brief”), pp. 37-39; *Reply Brief of Pacific Gas and Electric Company (U 39 E) on Phase 2 Issues*, dated September 27, 2021 (“PG&E Reply Brief”), pp. 19-21.

<sup>6</sup> PG&E Reply Brief, p. 20.

Technical Study formally filed by the CAISO into Rulemaking (“R.”) 19-11-009<sup>7</sup> shows resource deficiencies at the local level.<sup>8</sup> The Commission adopted the results of the Final 2022 Local Capacity Technical Study for 2022-2024 for all local areas in D.21-06-029.<sup>9</sup> Just as the Commission is taking official notice of the Summer Stack Analysis, it should take official notice of CAISO’s Final 2022 Local Capacity Technical Study for 2022-2024.

While the Commission may rely on D.21-06-029 for the adopted results of the Final 2022 Local Capacity Technical Study for 2022-2024, it would also be appropriate to take official notice of the resource deficiencies identified therein. The facts as to the deficiencies are not reasonably subject to dispute and are capable of immediate and accurate determination by resort to the Final 2022 Local Capacity Technical Study, which is of reasonably indisputable accuracy as to this issue.<sup>10</sup> Taking official notice of this information will ensure that the Commission considers the most accurate data regarding local procurement needs, which are not discussed in the Summer Stack Analysis.

Accordingly, PG&E requests that the Commission consider the existing local procurement needs identified in the CAISO’s Final 2022 Local Capacity Technical Study and authorize the CPE to perform the emergency procurement proposed in the PG&E Opening Brief and PG&E Reply Brief.

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<sup>7</sup> R.19-11-009, *California Independent System Operator Corporation Final Local Capacity Technical Study for 2022*, filed April 30, 2021, Attachment A (“Final 2022 Local Capacity Technical Study”). Parties also had opportunities to provide comments and reply comments on the Final 2022 Local Capacity Technical Study on May 7, 2021 and May 11, 2021, respectively, in R.19-11-009.

<sup>8</sup> *See, e.g.*, Final 2022 Local Capacity Technical Study, pp. 2-4.

<sup>9</sup> D.20-06-029, p. 14, Ordering Paragraphs 1-3.

<sup>10</sup> Rule 13.9 of the Commission’s Rules of Practice and Procedures provides that official notice may be taken of matters that may be judicially noticed pursuant to California Evidence Code Section 450 *et seq.*, and Section 452(h) of the California Evidence Code provides that judicial notice may be taken of “[f]acts and propositions that are not reasonably subject to dispute and are capable of immediate and accurate determination by resort to sources of reasonably indisputable accuracy.”

### III. CONCLUSION

PG&E appreciates the opportunity to submit these comments. In summary, the Summer Stack Analysis should not be used alone to determine whether procurement is needed. Further, PG&E encourages the CEC staff to release the underlying data. Finally, PG&E requests that the Commission consider the existing local procurement needs identified in the CAISO's Final 2022 Local Capacity Technical Study and authorize the CPE to perform emergency procurement for 2022 and 2023 in accordance with PG&E's proposal in Phase 2.

Respectfully submitted,

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