

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 Reforms and Refinements, and
Establish Forward Resource Adequacy
Procurement Obligations.

**OPENING COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON THE ORDER INSTITUTING RULEMAKING TO OVERSEE THE RESOURCE
ADEQUACY PROGRAM, CONSIDER PROGRAM REFORMS AND REFINEMENTS,
AND ESTABLISH FORWARD RESOURCE ADEQUACY PROCUREMENT
OBLIGATIONS**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Reforms and Refinements, and
Establish Forward Resource Adequacy
Procurement Obligations.

Rulemaking 23-10-011
(Filed October 12, 2023)

**OPENING COMMENTS OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON THE ORDER INSTITUTING RULEMAKING TO OVERSEE THE RESOURCE
ADEQUACY PROGRAM, CONSIDER PROGRAM REFORMS AND REFINEMENTS,
AND ESTABLISH FORWARD RESOURCE ADEQUACY PROCUREMENT
OBLIGATIONS**

Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates this opportunity to submit its Opening Comments on the Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations (OIR), pursuant to Rule 6.2 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission) and the instructions accompanying the OIR issued October 19, 2023.

**I.
BACKGROUND**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working toward building a new energy economy, including cutting contributions to global warming, and reducing dependence on fossil fuels. CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future.

CEERT was a party to and actively participated in the most recent resource adequacy (RA) rulemakings (R.19-11-009 and R.21-10-002). CEERT has also been a party to numerous other Commission proceedings, including, but not limited to, the Extreme Weather rulemaking (R.20-11-003), the Integrated Resources Plan rulemakings (R.16-02-007 and R. 20-05-003), and Demand Response (DR) rulemaking (R.13-09-011).

II. CEERT COMMENTS ON PRELIMINARY SCOPE OF R.23-10-011

The OIR states that the preliminary scope of issues are: (1) adoption of local capacity requirements, (2) adoption of flexible capacity requirements, (3) loss of load expectation (LOLE) study and planning reserve margin (PRM), (4) 24-hour slice-of-day (SOD) framework, (5) unforced capacity methodology (UCAP), (6) qualifying capacity (QC) counting conventions, (7) RA compliance and penalties, (8) coordination with the integrated resource planning (IRP) proceeding, and (9) refinements to the RA program.¹

1. The Scope of this Proceeding Must Address and Rectify the Numerous Errors Contained in D.23-06-029 if the Pending Joint Application for Rehearing and Joint Motion for Partial Stay are Not Granted

To begin with, the previous RA decision (D.23-06-029 – Decision Adopting Local Capacity Obligations for 2024-2026, Flexible Capacity Obligations for 2024, and Program Refinements) contained numerous harmful impacts on Demand Response (DR) and DR providers. In response to the issuance of D.23-06-029, CEERT, along with the California Efficiency + Demand Management Council, Leapfrog Power, Inc., OhmConnect, Inc., CPower, and Enel X North America, Inc. (the Joint Parties) submitted a Joint Application for Rehearing (AFR) of D.23-06-029 and a Joint Motion for Partial Stay of D.23-06-029 in the previously RA rulemaking (R.21-10-002) on August 4, 2023.

¹ OIR, at pp. 4-5.

The Joint AFR and Joint Motion demonstrate the serious and irreparable harm caused by D.23-06-029 which includes (1) reversing the present limitation on using Reliability DR Resources (RDRR) as an RA resource during system emergencies only,² (2) improperly eliminating the Transmission Load Factor (TLF) Adder and PRM Adder,³ (3) adopting unworkable Proxy DR (PDR) availability requirements,⁴ and (4) introducing a new and untenable risk to third-party DR resources by derating their QC values outside of the existing QC valuation process.⁵

CEERT remains hopeful that the Commission will grant both the Joint AFR and the Joint Motion to correct the numerous errors contained in D.23-06-029. However, in the event that does not happen, this proceeding must prioritize rectifying those errors and take immediate steps to reverse these provisions in order to further advance the use of DR which will be necessary in order to meet California’s clean energy goals. This could be addressed under the “Refinements to the Resource Adequacy Program” but it should be given the highest priority.

2. The Scope of this Proceeding Should Ensure Further Examination of a Monthly PRM for SOD Implementation

In the previous RA proceeding (R.21-10-002), CEERT recommended that the Commission adopt a monthly PRM for SOD implementation as opposed to an annual PRM.⁶ The issue with relying on a single annual PRM being applied to all months is that it would not result in consistent resource requirements across all months. As CEERT previously stated, there must be a “more precise calibration of reliability needs across critical summer months” and

² See, e.g., Joint AFR, at pp. 2-3, Joint Motion, at p. 3, and D.23-06-029, at pp. 95-97.

³ See, e.g., Joint AFR, at pp. 3-4, Joint Motion, at p. 3, and D.23-06-029, at pp. 99, 102 and 145 (Ordering Paragraph 29).

⁴ See, e.g., Joint AFR, at p. 4, Joint Motion, at p. 3, and D.23-06-029, at p. 146 (Ordering Paragraph 30).

⁵ See, e.g., Joint AFR, at p. 4, Joint Motion, at p. 3, and D.23-06-029, at p. 146 (Ordering Paragraph 32).

⁶ CEERT Opening Comments on Proposed Decision on Phase 2 of the Resource Adequacy Reform Track, submitted in R.21-10-002 (RA) on March 23, 2023, at pp. 2-3.

CEERT reiterates its recommendation that the Commission adopt monthly PRMs for July, August and September and this issue should be included in the scope of this proceeding.⁷

3. Coordination between the RA and IRP Proceedings Must Include Evaluation of the Reliability Framework for IRP Modeling

The Administrative Law Judge’s Ruling Seeking Comment on Proposed 2023 Preferred System Plan and Transmission Planning Portfolios (IRP ALJ Ruling), issued on October 5, 2023 in R.20-05-003 (IRP) puts forward analysis and initial recommendations that the Commission could use to create a reliability framework for IRP modeling and load-serving entity filing requirements.⁸ The new RA OIR identifies coordination with the IRP proceeding as one of the issues to be addressed in this proceeding.⁹ CEERT supports this coordination but recommends that the reliability framework identified in the IRP ALJ Ruling be addressed in this proceeding so that the proposed framework can be harmonized with the SOD RA framework in a way that it can be effectively used by LSEs and the CAISO.

III. CEERT COMMENTS ON CATEGORY, NEED FOR HEARING, AND SCHEDULE

CEERT does not object to the preliminary determinations regarding category, need for hearing and schedule.

IV. CONFIRMATION OF PARTY STATUS

Pursuant to Section 7 at page 9: “Persons who file responsive comments become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the ‘Parties’ category of the official service list upon such filing.” By filing these responsive comments, therefore, CEERT requests “party status” and inclusion on the service list of R.23-10-011 as a party as follows:

⁷ CEERT Opening Comments on Proposed Decision on Phase 2 of the Resource Adequacy Reform Track, submitted in R.21-10-002 (RA) on March 23, 2023, at p. 3.

⁸ IRP ALJ Ruling, at pp. 51-58.

⁹ OIR, at p. 5.

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**V.
CONCLUSION**

CEERT appreciates the Commission's consideration and the opportunity to provide Opening Comments on the OIR. CEERT urges the Commission to amend the preliminary scope for this OIR as recommended herein.

Dated: November 8, 2023

Respectfully submitted,

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