

**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.

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

**AMERICAN CLEAN POWER – CALIFORNIA
OPENING COMMENTS ON PROPOSED DECISION ON TRACK 2 ISSUES**

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November 18, 2024

SUBJECT INDEX OF RECOMMENDED CHANGES TO THE PROPOSED DECISION

- The PD should be modified to explicitly authorize staff to conduct an analysis comparing exceedance profiles for wind and solar resources against SERVVM profiles to be considered in Track 3.
- The PD should be modified to direct staff to include further stakeholder review of the data sources and process for developing SERVVM inputs either within Track 3 or the IRP proceeding.
- The PD should be modified to direct staff to eliminate the exceedance step for 2026 and 2027 compliance years.

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In accordance with Rule 14.3 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, American Clean Power – California (“ACP-California”)¹ submits the following comments on the October 29, 2024 *Proposed Decision on Track 2 Issues* (“PD”).

INTRODUCTION AND SUMMARY OF RECOMMENDATIONS

ACP-California appreciates the Commission’s ongoing efforts to reform and simultaneously implement a new Resource Adequacy (“RA”) program. Our comments offer the following feedback on the Track 2 PD:

- 1. SERVM Profiles:** ACP-California supports the PD’s further exploration of SERVM profiles to align with the Integrated Resource Planning (“IRP”) proceeding. The PD should be modified to explicitly authorize staff to conduct an analysis comparing exceedance profiles for wind and solar resources against SERVM profiles to be considered in Track 3. The PD should be further modified to direct staff to include additional stakeholder review of the data sources and process in 2025 for developing SERVM inputs either within Track 3

¹ The American Clean Power Association (“ACP”) is the voice of companies from across the clean power sector that are providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the American economy, and driving high tech innovation across the United States. ACP’s mission is to transform the U.S. power grid to a low-cost, reliable, and renewable power system. ACP-California is a state project of ACP, representing companies who develop, own, and operate utility-scale solar, storage, geothermal, land-based wind, offshore wind, and transmission assets to power a clean and renewable economy for California and the West.

or the IRP proceeding. The Commission should coordinate this work with the IRP proceeding.

- 2. Exceedance Methodology:** The PD should be modified to direct staff to eliminate the exceedance step for 2026 and 2027 compliance years.
- 3. Unforced Capacity (“UCAP”):** ACP-California supports the PD’s plan for UCAP development and focus on forced outages.

DISCUSSION

I. The Commission Should Align Solar And Wind Resource Counting With Methods Used In The Integrated Resource Planning Proceeding.

ACP-California appreciates the PD’s interest in pursuing Slice of Day resource counting reforms² as proposed by ACP-California and numerous parties.³ The PD seeks to further develop the record and build a complete proposal to align wind and solar profiles with the data and analytical methods used in the IRP proceeding.⁴ The PD’s direction to staff to conduct an analysis comparing exceedance profiles for wind and solar resources against SERVIM weather profiles for consideration in Track 3 should be reflected in the ordering paragraphs.

A. Removal of the Exceedance Step

In the near-term, ACP-California encourages the Commission to rectify the exceedance issue for compliance years 2026 and 2027. ACP-California offered a proposal in Track 2 on this issue.⁵ ACP-California recommended removing the exceedance step in order to improve the fidelity of the qualifying capacity profiles. The proposal could be easily executed with existing data because the analysis is already complete. The issue was also supported by multiple parties in

² Proposed Decision, p. 18.

³ Proposed Decision, pp. 16-17.

⁴ Proposed Decision, p. 18.

⁵ ACP-California, Comments on Track 2 Proposal (August 9, 2024), pp. 2-4.

Track 2.⁶ Retaining the current exceedance step limits the capacity contribution of wind and solar resources relative to other resource categories, yet adds no incremental accuracy or other benefit to the program. Energy Division should update the resource counting methodology by removing the exceedance step for compliance years 2026 and 2027 and improve alignment of the Planning Reserve Margin (“PRM”) in Track 3 with the revised worst day profiles.

B. SERVVM Alignment

ACP-California supports Energy Division’s analysis comparing exceedance and SERVVM profiles for Track 3. ACP-California encourages the Commission to clearly scope this analysis into Track 3. Given the narrow timeline for Track 3 proposals, Energy Division should focus on generating the necessary data to support comparison of various options for how to translate SERVVM data, primarily how to subset the days which should be used to build profiles. This requires insights into which hours and which days observe loss of load across months, but will likely also require another metric to assess days with the tightest reserves, as not all months are likely to observe reliability events.⁷

ACP-California recommends revisions to the Ordering Paragraphs to solicit stakeholder review of the data sources and process for developing SERVVM inputs during Track 3 and within the IRP proceeding. As discussed during the Track 1 workshops, awareness of current methods for

⁶ See Opening Comments of Pacific Gas and Electric Company (U 39 E) on the Proposed Decision on Phase 2 of the Resource Adequacy Reform Track (filed in R.21-10-002), March 23, 2023, p. 3: [Removing exceedance] “is the simplest and most accurate method for determining performance on high-load days.” Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M504/K402/504402013.PDF>; and Comments of the Public Advocates Office on the Workshop Report on Final Proposals From Reform Track Phase 2 (filed in R.21-10-002), December 1, 2022), p. 7: [Removing exceedance] “builds in conservativeness... and substantially simplifies the resource counting process.” Available at: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M499/K459/499459539.PDF>.

⁷ See, e.g., Table 16 of the 2026 Loss of Load Expectation (“LOLE”) Analysis indicating distribution of LOLE across year with no LOLE in October or December. Available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/slice-of-day-compliance-materials/2026_lole_final_report_07192024.pdf.

generating SERVVM profiles is limited, and further review and development of the SERVVM methods will be beneficial for its continued use for alignment of both compliance and planning tools. This will provide greater consistency and tend to optimize procurement across the RA and IRP programs.

II. The Commission Should Focus The Unforced Capacity Methodology On Curtailments And Outages Rather Than State-Of-Charge.

ACP-California supports the PD's direction to move forward with a UCAP proposal in Track 3 of this proceeding for the 2028 RA Compliance Year, to align UCAP development with a parallel process at the California Independent System Operator ("CAISO"), and to focus UCAP on curtailments and outages rather than state-of-charge.⁸ This development timeline is responsive to stakeholder concerns about applying state-of-charge data and outages from historic periods when there were no rules for UCAP. We are encouraged that the proposed timeline in the PD will help ensure UCAP values are developed on a more robust dataset and provide scheduling coordinators and resource owners time to understand the implications. Working with CAISO will support identification and resolution of battery storage market participation rules which overlap with outage reporting. ACP-California looks forward to working with the Commission and stakeholders on the development of a robust UCAP framework for energy storage.

CONCLUSION

ACP-California appreciates the opportunity to submit these comments on the PD and looks forward to further engagement on these critical issues in Track 3.

⁸ PD, pp. 21-22.

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Respectfully submitted,

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APPENDIX 1

Changes to the Proposed Decision's Findings Of Fact And Conclusions Of Law And Ordering Paragraphs

(Proposed deletions are struck out, proposed additions are underlined.)

Recommended Changes to Findings of Fact

1. The QC values for wind and solar resources using SERVVM weather profiles, rather than using exceedance profiles, would better align SOD RA values with how SERVVM stochastic datasets are used in the RA LOLE studies. Additional vetting and further analysis of Energy Division's revised PRM analysis is needed.

Recommended Changes to Conclusions of Law

1. Energy Division should undertake a further revision of the 2026 PRM analysis to correct identified errors and distribute it to the service list in December 2024.
2. Consideration of the revised PRM analysis and the 2026 PRM should be deferred to Track 3 of this proceeding.

Ordering Paragraphs

1. Energy Division is authorized to undertake a further revision of the PRM analysis to correct errors identified in comments and to distribute it to the service list in this proceeding in early December 2024. This shall include an analysis comparing exceedance profiles for wind and solar resources against SERVVM weather profiles to be considered in Track 3 of this proceeding.
2. Energy Division is authorized to update the RA Loss of Load Expectation study every two years for consideration in the RA proceeding. Energy Division staff shall eliminate the exceedance step for 2026 and 2027 compliance years.