

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



**FILED**

11/18/24

04:59 PM

R2310011

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)

**CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE AND SIERRA CLUB  
OPENING COMMENTS ON PROPOSED DECISION ON TRACK 2 ISSUES**

Deborah Behles  
California Environmental Justice Alliance  
2912 Diamond Street, No. 162  
San Francisco, CA 94131  
Telephone: (415) 841-3304  
Email: [deborah.behles@gmail.com](mailto:deborah.behles@gmail.com)

*On Behalf of California Environmental  
Justice Alliance*

Katherine Ramsey  
Nihal Shrinath  
Sierra Club Environmental Law Program  
2101 Webster Street, Suite 1300  
Oakland, CA 94612  
Telephone: (415) 977-5627  
(415) 977-5566  
Email: [katherine.ramsey@sierraclub.org](mailto:katherine.ramsey@sierraclub.org)  
[nihal.shrinath@sierraclub.org](mailto:nihal.shrinath@sierraclub.org)

*On Behalf of Sierra Club*

Dated: November 18, 2024

## TABLE OF CONTENTS

I. Summary.....	1
II. Discussion .....	2
A. The Proposed Decision Should Be Revised to Include Local Procurement Incentives in Track 3 .....	2
B. Increased Reporting to CPEs on Local Resource Needs Should Be Shared Transparently and Feedback Should Be Actively Solicited.....	5
C. The Proposed Decision Erroneously Misinterprets CEJA and Sierra Club’s Proposal .....	5
D. The Proposed Decision Errs Defaulting to a LOLE Standard with No Analysis .....	6
E. The Proposed Decision Errs by Assuming that the Commission’s Historic Interpretation of LOLE Is “General Industry Standard” .....	8
III. Conclusion .....	9

**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)

**CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE AND SIERRA CLUB  
OPENING COMMENTS ON PROPOSED DECISION ON TRACK 2 ISSUES**

The California Environmental Justice Alliance (“CEJA”) and Sierra Club submit these comments on the Proposed Decision on Track 2 Issues (“Proposed Decision” or “PD”). These comments are timely pursuant to the California Public Utilities Commission’s (“Commission” or “CPUC”) Rules of Practice and Procedure.

**I. SUMMARY**

Track 2 focuses on two core elements of the Resource Adequacy (“RA”) requirements: the central procurement entity (“CPE”) and reliability requirements. The Proposed Decision adopts several needed reforms to the CPE by eliminating problematic self-show requirements and increasing transparency. The Proposed Decision also rightly delays a decision on the planning reserve margin (“PRM”), given the many concerns about the most recent Energy Division analysis recommending a high PRM.

While the Proposed Decision tweaks existing requirements and allows for additional time for the PRM analysis, it fails to proactively utilize the CPE and meet reliability needs in light of affordability issues, the changing grid, and the shift of the RA structure to Slice of Day (“SOD”). CEJA and Sierra Club have requested that the Commission use the CPE to ensure that local procurement is properly incentivized, but the Proposed Decision proposes to punt this important issue to the Integrated Resource Planning (“IRP”) proceeding.<sup>1</sup> The Proposed Decision’s punt is an error because both the CPE and local procurement incentives are issues scoped within this RA proceeding. CEJA and Sierra Club request that the Proposed Decision be modified to acknowledge the need to address incentives in the RA proceeding. CEJA and Sierra Club further

---

<sup>1</sup> Proposed Decision on Track 2 Issues at 47 (Oct. 29, 2024) [hereinafter “PD”].

request that the Proposed Decision clarify what additional information will be published related to the CPE to ensure greater transparency.

Next, the Proposed Decision errs by rejecting CEJA and Sierra Club’s proposal to examine reliability standards and considerations by wrongly interpreting our request as asking for a different standard.<sup>2</sup> To clarify, we are asking for *an analysis* of the considerations that underlie the reliability standard.<sup>3</sup> The Proposed Decision further errs by narrowly interpreting statutory language and failing to evaluate whether the standard is efficient and equitable, as the statute requires. Finally, the Proposed Decision errs by assuming that California’s interpretation of loss of load expectation (“LOLE”) is industry standard, when in reality other jurisdictions have varying interpretations of LOLE and alternative reliability standards.

In California, energy is already unaffordable for many, and it is becoming more and more expensive each year. Proactive action is necessary to make informed decisions about how best to define reliability in a way that properly balances affordability and the environment. The Proposed Decision should be changed to ensure that the Commission considers how to properly incentivize local procurement and the efficiency and equity of the reliability standard.

## **II. DISCUSSION**

### **A. The Proposed Decision Should Be Revised to Include Local Procurement Incentives in Track 3**

The Proposed Decision should be revised to include local procurement incentives in Track 3 and set forth a process for ensuring coordination between the RA and IRP proceedings. The CPE’s incentives for local procurement have not worked. As the Energy Division’s report describes, “[t]he parameters of CPE solicitations raise additional challenges in procuring new resources, especially when sellers have other procurement opportunities to bring their resources online.”<sup>4</sup> In addition, the CPE framework has not generated the type of competitive conditions that are necessary to reduce prices and meet load. As Energy Division observes, in local capacity areas (“LCAs”) with limited resources, “there has been limited participation by generators that control a substantial proportion of the available capacity.”<sup>5</sup> The best way to

---

<sup>2</sup> PD at 16.

<sup>3</sup> CEJA and Sierra Club Opening Comments on Track 2 Proposals and the LOLE Study at 16-18 (Aug. 9, 2024) (requesting that the Commission analyze different reliability definitions).

<sup>4</sup> CPUC Energy Div., *Rep. on the 2021-2023 Cent. Procurement Entity Framework* at 48 (May 31, 2024) [hereinafter “CPE Framework Report”].

<sup>5</sup> CPE Framework Report at 50.

reduce this market power is to facilitate “new resource development in these areas.”<sup>6</sup> The CPE framework has also not been effective in procuring new resources “as no new resources have been procured and very little LCR RCM [Local Capacity Requirement Reduction Compensation Mechanism] contracts have resulted from the CPE RFOs [request for offer].”<sup>7</sup> Yet, the need to effectively procure new local resources is increasing. Reduced gas reliance, as explicitly planned for in Senate Bill (“SB”) 100 reports and the IRP’s Preferred System Plan (“PSP”), will make it increasingly uneconomical for gas plants to continue operating, especially as their maintenance and environmental compliance costs increase. Furthermore, in passing SB 887, the Legislature recognized that “[r]educing the use of nonpreferred resources in disadvantaged communities has been a priority for those communities, and they would benefit from increased access to electricity from new renewable energy resources and zero-carbon resources delivered to serve in-city loads.”<sup>8</sup> These requirements—established in SB 887—direct the Commission to plan to “substantially reduce” the need for gas plants. As recent experience has shown, this can only happen with effective targeting of resources to transition away from the reliance on gas plants.

In this and other proceedings, the Commission again identifies a clear need for targeted procurement to decrease demands for fossil methane, yet suggests that procurement would better occur in other proceedings. For example, in the Aliso Canyon Investigation (I.17-02-002), Administrative Law Judge Zhen Zhang issued a Proposed Decision finding that Aliso Canyon is necessary for reliability “until the peak day natural gas demand forecast drops below 4,121 million metric cubic feet per day,” yet authorizes no action other than biennial assessments and tracking of procurement that will “take place in other Commission proceedings,” namely IRP.<sup>9</sup> The Commission must take more direct action by authorizing locationally targeted procurement for renewable energy and storage, and it should start in this proceeding.

While the Commission finds that “aligning procurement targets, incentive design, and locational targets” to address the incentivizing local resources to displace increasingly obsolete and expensive gas resources “warrant[s] further exploration[,]” it punts all the issues related to

---

<sup>6</sup> CPE Framework Report at 51.

<sup>7</sup> CPE Framework Report at 48.

<sup>8</sup> SB 887, Reg. Sess. (Cal. 2021-2022), codified as Cal. Pub. Util. Code § 454.57(b)(4).

<sup>9</sup> Proposed Decision Adopting Biennial Assessment Rep., I.17-02-002 at 2-3 (Nov. 13, 2024).

CPE local procurement to the IRP.<sup>10</sup> This is despite the PD’s acknowledgment that local procurement necessitates a “coordinated effort between the IRP and RA proceedings.”<sup>11</sup> Rather than utilize the CPE to address local needs, as recommend by CEJA and Sierra Club, or address local needs in Track 3, the Commission instead attempts to shoehorn addressing local reliability procurement’s role into the forthcoming Reliable and Clean Power Procurement Program in the IRP.<sup>12</sup> This is a clear error, as the RA proceeding has through successive decisions specifically addressed local capacity needs and the December 18, 2023 Scoping Memo specifically scoped in coordination with the IRP proceeding on programmatic procurement.<sup>13</sup> Indeed, a major reason that California has failed to retire uneconomic gas plants is because of resource adequacy. The close continued tie between reliability and expensive gas plants is evidenced not only by the results of the RA program to date but also by the successive extensions of once-through-cooling gas plants<sup>14</sup> and the 2022 creation of the gas plant heavy Electricity Supply Strategic Reliability Reserve Program.<sup>15</sup>

As described above, the RA CPE structure failed at incentivizing new local resources, with LSE’s choosing not to participate in non-compensated self-showing of local resources, particularly for Pacific Gas and Electric Company’s (“PG&E”) CPE.<sup>16</sup> While the CPE framework failed to incentivize in clean local resources, due in part to self-show requirements, it is clear that incentives for local resources are firmly within the scope of RA and that the coordination between the RA and the IRP proceedings must also be addressed here. A natural evolution of the RA CPE would be to tweak the structure to marry the state’s greenhouse gas reduction goals with cost and reliability considerations to procure lower cost clean local resources to displace gas generation. As the PD indicates, proactive coordination between the IRP and RA proceedings is necessary to reach greenhouse gas reduction goals at least cost. At the very least, incentives for local clean resources should be addressed in Track 3 of the RA proceeding along with issues related to local procurement coordination between the RA and IRP

---

<sup>10</sup> PD at 47.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Assigned Comm’r’s Scoping Memo and Ruling, R.23-10-011 (Dec. 18, 2023).

<sup>14</sup> Hudson Sangree, *Cal. to Keep Old Gas Plants Operating for Reliability*, RTO Insider LLC (Aug. 9, 2023), available at <https://www.rtoinsider.com/52446-california-energy-commission-gas-plants/>.

<sup>15</sup> AB 205, 2022 Leg. Serv. (Cal. 2021-2022) [hereinafter “AB 205”].

<sup>16</sup> PD at 36.

proceedings. Otherwise, local capacity needs will continue to be filled by expensive and low-utilization gas plants instead of replacement resources such as battery storage and DERs.

**B. Increased Reporting to CPEs on Local Resource Needs Should Be Shared Transparently and Feedback Should Be Actively Solicited**

The PD appropriately identifies that CPEs may not have access to information on contracted local resources, the most effective local resources, and “true needs [] in designated local areas.”<sup>17</sup> CEJA and Sierra Club consequently support the PD authorizing Energy Division to collect additional information from load-serving entities (“LSEs”) on local RA capacity under contract, aggregate anonymize that data, and share with the CPEs.<sup>18</sup> However, the PD improperly only references the role of CPEs to “secure a portfolio of the most effective local resources, use purchasing power in constrained local areas, mitigate the need for backstop procurement, and ensure a least cost solution for customers and equitable cost allocation.”<sup>19</sup> Given the failure of the prior CPE framework to incentivize cost-effective local resources and the significant public interest in local procurement, such anonymized aggregated data should not only be made available to the CPEs, but also to interested stakeholders in an accessible and transparent format.

CEJA and Sierra Club further recommend that the Commission should consider ways to increase overall transparency and accountability related to the CPE process. The aggregated data proposed by Energy Division will allow for opportunities for additional engagement beyond the typical Procurement Review Group. It is imperative that subjective determinations regarding “least cost” solutions and “most effective local resources” are thoroughly vetted moving forward. CEJA and Sierra Club further recommend that the PD be modified to reiterate its prior requirements that the CPEs prioritize contracting with clean local resources. Such guidance and transparency safeguards will ensure that local resource decisions are not siloed and will enable parties to this proceeding to access transparent and accessible information related to the process.

**C. The Proposed Decision Erroneously Misinterprets CEJA and Sierra Club’s Proposal**

The Proposed Decision misinterpreted CEJA’s and Sierra Club’s reliability proposal as only requesting the evaluation of a loss of load hours (“LOLH”) reliability metric and unserved

---

<sup>17</sup> PD at 37.

<sup>18</sup> PD at 39.

<sup>19</sup> PD at 36 (citing D.20-06-002 at 24).

energy. Yet, CEJA and Sierra Club have also requested an evaluation and analysis related to how LOLE is determined. Specifically, CEJA and Sierra Club have requested an analysis of different assumptions in the LOLE study including: “how different considerations of emergency resources and actions impact reliability[,]” consideration of different methods for meeting events, and consideration of exports and how to optimize solar and storage during high demand days.<sup>20</sup>

The Proposed Decision further errs by stating that San Diego Gas and Electric Company (“SDG&E”) opposed CEJA and Sierra Club’s proposal when SDG&E misinterpreted the proposal. As our Reply Comments described:

SDG&E wrongly interprets CEJA and Sierra Club’s proposal as requiring a LOLH standard without further evaluation. Yet, CEJA and Sierra Club are not requesting a new reliability definition at this time. Rather, our proposal is asking for an examination of different reliability definitions and considerations. Without such analysis, the Commission and parties cannot make an informed decision on how best to define reliability. The Commission should accord no weight to SDG&E’s arguments as they are based on a misinterpretation.<sup>21</sup>

The Proposed Decision should correct these errs and properly characterize CEJA and Sierra Club’s proposal as asking for an examination of the considerations underlying the reliability determination. This proposed analysis is relevant to the LOLE metric in addition to LOLH and unserved energy. The Proposed Decision should also acknowledge that the only party that opposed CEJA and Sierra Club’s proposal, SDG&E, was based upon its misreading of the proposal.

#### **D. The Proposed Decision Errs Defaulting to a LOLE Standard with No Analysis**

As the Proposed Decision correctly notes, after the Track 2 proposals and comments, California passed Assembly Bill (“AB”) 2368. This, as the Proposed Decision summarizes, “provides that the Commission shall determine the most efficient and equitable means to ‘[e]nsuring that the resource adequacy program can reasonably maintain a standard measure of reliability, such as a one-day-in-ten-year loss-of-load expectation or a similarly robust reliability

---

<sup>20</sup> CEJA and Sierra Club Reply Comments on Track 2 Proposals and the LOLE Study at 4 (Aug. 23, 2024) [hereinafter “CEJA & Sierra Club Reply Comments on Track 2 Proposals”].

<sup>21</sup> *Id.* at 3 (footnotes omitted).



metric adopted by the commission, and use it for planning purposes.”<sup>22</sup> While the Proposed Decision correctly cites this statutory language, it fails to examine the rest of the statute and summarily concludes that the “0.1 LOLE reliability target is the general industry standard and use of the standard can better align the RA requirements with the IRP program.”<sup>23</sup> The Proposed Decision’s failure to consider the rest of the statute and the proposed adoption of the LOLE standard without any further analysis is in error for several reasons.

Initially, it is important to note that AB 2368 was amended to specifically allow for consideration of other reliability metrics, like the LOLH standard. As the August 28, 2024 Assembly Floor Analysis describes, the bill was amended to “[r]emove[] the one day-in-10 year loss-of-load expectation (1-in-10 LOLE) as the minimum measure of reliability for system-wide RA, and instead requires the CPUC to ensure that RA can reasonably maintain a standard measure of reliability.”<sup>24</sup> In other words, AB 2368, as described by the Senate Floor Analyses, “affords the CPUC the discretion to determine what planning standard metric to use.”<sup>25</sup> The Commission’s failure to even consider other potential robust reliability standards ignores the purpose of this new amended language.

Second, the Proposed Decision errs by failing to consider AB 2368’s mandate for the most “efficient and equitable” means for ensuring that the RA program can maintain reliability. Indeed, the Proposed Decision does not include any analysis or examination of LOLE standard used by Energy Division. Rather, the Proposed Decision summarily concludes that LOLE is a general industry standard, which it has historically utilized, and therefore it should be used moving forward. AB 2368 requires more analysis than this conclusory finding. At minimum, AB 2368 requires consideration of how reliability impacts ratepayer costs.<sup>26</sup> As the August 28, 2024 Assembly Floor Analysis describes: “[t]his bill also seeks to make RA more robust by requiring the CPUC to maintain a standard measure of reliability for the program and to consider mitigation measures for reducing costs to ratepayers.”<sup>27</sup> The Proposed Decision’s blind adoption

---

<sup>22</sup> PD at 19.

<sup>23</sup> *Id.*

<sup>24</sup> AB 2368, Assemb. Floor Analysis at 1 (Aug. 28, 2024), *available at* [https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=202320240AB2368](https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202320240AB2368).

<sup>25</sup> AB 2368, Senate Floor Analyses (Aug. 22, 2024), *available at* [https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=202320240AB2368](https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202320240AB2368).

<sup>26</sup> Cal. Pub. Util. Code § 380(b)(5).

<sup>27</sup> AB 2368, Assemb. Floor Analysis at 2 (Aug. 28, 2024), *available at* [https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill\\_id=202320240AB2368](https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202320240AB2368).

of its historic LOLE analysis does not meet AB 2368’s requirements for the most efficient and equitable means of ensuring reliability.

Third, the Proposed Decision errs by not considering the accuracy of its historic LOLE studies and whether it models all procurement. AB 2368 requires the Commission to assess “a more accurate understanding of electrical grid operational needs.”<sup>28</sup> AB 2368 also clearly requires that the Commission “shall model all procurement,” and yet, some procurement, such as the Emergency Load Reduction Program (“ELRP”) and the Strategic Reliability Reserves, have not been counted. In other words, the Proposed Decision’s blind adoption of the historic LOLE standard fails to meet the requirements of AB 2368. To comply with AB 2368, the Commission should require that the next reliability evaluation examine at least all the factors in the statute. Otherwise, the purpose of this statutory language will be thwarted.

#### **E. The Proposed Decision Errs by Assuming that the Commission’s Historic Interpretation of LOLE Is “General Industry Standard”**

The Proposed Decision further errs by assuming that the Commission’s interpretation of the LOLE standard is the “general industry standard.” The origins of the one-day-in-ten-years reliability “standard are nebulous, with limited documentation on why and how it was chosen.”<sup>29</sup> Still, even with unclear history, there is wide-use of the 1-in-10 standard for reliability, but there is no clear consistent way to apply it.<sup>30</sup> Some LOLE evaluations include emergency resources, while others do not. Some LOLE evaluations include a minimum number of hours or unserved energy for an event to count as a loss of load, while others do not.<sup>31</sup> Some layer effective load carrying capabilities (“ELCC”) differently with PRM because ELCC accounts for some of the same uncertainty as PRM. As New York’s balancing authority described, “[t]hese differences in study assumptions and models can substantially affect the installed reserve margins necessary to achieve the chosen reliability targets.”<sup>32</sup> In addition to all these LOLE interpretation differences,

---

<sup>28</sup> AB 2368, Reg. Sess. (Cal. 2021-2022), codified as Cal. Pub. Util. Code § 454.52.

<sup>29</sup> Derek Stenclik et al., *New Res. Adequacy Criteria for the Energy Transition*, Energy Sys. Integration Grp. at 6 (Mar. 2024), available at <https://www.esig.energy/wp-content/uploads/2024/03/ESIG-New-Criteria-Resource-Adequacy-report-2024.pdf>.

<sup>30</sup> Gord Stephen et al., *Clarifying the Interpretation and Use of the LOLE Res. Adequacy Metric*, IEEE Res. Adequacy Working Grp., available at <https://spp.org/documents/69303/lole%20metric.pdf>.

<sup>31</sup> Chris Wentlent et al., *Res. Adequacy Metric and Their Applications*, N.Y. Staff Reliability Council (Apr. 20, 2020), available at <https://www.nysrc.org/wp-content/uploads/2023/03/Resource-Adequacy-Metric-Report-Final-4-20-20206431.pdf>.

<sup>32</sup> *Id.* at 4.

countries, organizations, and balancing authorities are starting to reevaluate reliability metrics. For example, the Electric Reliability Council of Texas (“ERCOT”) has started evaluating its reliability metrics,<sup>33</sup> and it considers two different types of emergency reserves as load reductions when certain conditions are met.<sup>34</sup> In addition, the North American Electric Reliability Corporation recently called for a reexamination of the one-day-in-ten-years standard for electric reliability, given the changes in the grid.<sup>35</sup>

Given the substantial differences in interpretation of the ambiguous LOLE standard, the Proposed Decision’s conclusion that California’s historic LOLE interpretation represents standard industry practice is in error.

Pursuant to the requirements of AB 2368, the Commission should at least examine the core assumptions that underlie its LOLE study to ensure that its reliability standard protects ratepayers and is as “efficient and equitable” as possible. Blindly adopting a reliability standard with unknown impacts to affordability, overall reliability, and the environment is not in the best interest of ratepayers and is not consistent with AB 2368. Further analysis of the appropriate reliability standard is a small cost compared to the millions that could be saved by fine-tuning the reliability metrics, and it should be scoped into the next LOLE study process.

### **III. CONCLUSION**

CEJA and Sierra Club appreciate the opportunity to submit these comments on the Proposed Decision on Track 2 Issues.

---

<sup>33</sup> ERCOT, *Item 7.1.1: Reliability Standard Study Preliminary Results* (June 19, 2023), available at <https://www.ercot.com/files/docs/2023/06/12/7-1-1-reliability-standard-study-preliminary-results.pdf>.

<sup>34</sup> Kevin Carden et al., *Effective Load Carrying Capability Study*, ERCOT (Dec. 7, 2022), available at <https://www.ercot.com/files/docs/2022/12/09/2022-ERCOT-ELCC-Study-Final-Report-12-9-2022.pdf>.

<sup>35</sup> Future Power Mkts. Forum, *All Bets Are Off: Reexamining the 1 Day in 10 Years Standard for Elec. Reliability*, available at <https://powermarkets.org/wp-content/uploads/wp-file-manager-pro/FPMF-Content/Session%20Presentations/Session%2018%20Presentation%20-%201%20in%2010.pdf?t=1654199332>.

Dated: November 18, 2024

/s/ Deborah Behles

Deborah Behles  
California Environmental Justice Alliance  
2912 Diamond Street, No. 162  
San Francisco, CA 94131  
Telephone: (415) 841-3304  
Email: deborah.behles@gmail.com

*On Behalf of California Environmental  
Justice Alliance*

Respectfully submitted,

/s/ Katherine Ramsey

Katherine Ramsey  
Nihal Shrinath  
Sierra Club Environmental Law Program  
2101 Webster Street, Suite 1300  
Oakland, CA 94612  
Telephone: (415) 977-5627  
(415) 977-5566  
Email: katherine.ramsey@sierraclub.org  
nihal.shrinath@sierraclub.org

*On Behalf of Sierra Club*

## **Appendix A – Proposed Changes to Findings of Fact, Conclusions of Law, and Ordering Paragraphs**

**New Finding of Fact:** The Commission has not evaluated the impacts of different considerations for a reliability standard.

**New Finding of Fact:** The Commission is not currently considering how to incentivize targeted procurement in local reliability areas.

**New Conclusion of Law:** Assembly Bill 2368 requires the Commission to examine the most “efficient and equitable” means of ensuring reliability and the impact of reliability requirements on ratepayers.

**New Conclusion of Law:** Consideration of how to incentivize local procurement shall be considered Track 3 of this proceeding in coordination with the IRP.

**Amended Conclusion of Law 6:** PG&E’s proposal to expand the publication of CPE procurement information is reasonable and should be adopted. **Aggregated and anonymized information related to local procurement should be published in an accessible and transparent format. Energy Division will form advisory groups where stakeholders may give input to CPEs on procurement priorities given local procurement data.**

**Amended Ordering Paragraph 2:** Energy Division is authorized to update the Resource Adequacy (RA) Loss of Load Expectation study every two years for consideration in the RA proceeding. **Energy Division shall conduct an analysis of different reliability considerations including, but not limited to, how emergency resources are considered, the impact of the layering of PRM with ELCC, whether all procurement is considered, and different ways to consider the potential magnitude of loss of load events.**

**Amended Ordering Paragraph 4:** Energy Division is authorized to collect additional information from load-serving entities (LSEs) regarding local Resource Adequacy (RA) capacity that is under contract in an LSE’s portfolio. Energy Division is authorized to collect the following information from each LSE about its local RA capacity under contract:

- (1) Resource ID
- (2) Local Area
- (3) Contract Start/End Date
- (4) Resource Technology Type
- (5) Contracted Monthly Megawatt (MW) Capacity for the 3-Year Forward Period

For the 2026 RA compliance year, Energy Division is authorized to send data requests in January 2025, with responses to be submitted by the LSE by February 1, 2025. Energy Division will aggregate and anonymize the information and provide the data to the CPEs for use in the CPEs’ annual solicitation and procurement process. **Energy Division shall publish aggregated information related to local procurement in an accessible and transparent format. Energy Division will form advisory groups where stakeholders may give input to CPEs on procurement priorities given local procurement data.**