

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



FILED

04/24/26

12:56 PM

R2510003

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

Rulemaking 25-10-003
(Filed October 9, 2025)

**COMMENTS OF THE ALLIANCE FOR RETAIL ENERGY MARKETS ON DRAFT
INPUTS & ASSUMPTIONS TO THE 2028 LOSS OF LOAD EXPECTATION STUDY**

Mary Neal
MRW & Associates, LLC
1736 Franklin St., 7th Floor
Oakland, CA 94612
Telephone: (510) 834-1999
E-mail: mnn@mrwassoc.com

CONSULTANT TO
ALLIANCE FOR RETAIL ENERGY MARKETS

April 24, 2026

TABLE OF CONTENTS

I.	COMMENTS ON LOLE CALIBRATION AND STRESS TEST	1
II.	CONCLUSION.....	3

**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 25-10-003
(Filed October 9, 2025)

**COMMENTS OF THE ALLIANCE FOR RETAIL ENERGY MARKETS ON DRAFT
INPUTS & ASSUMPTIONS TO THE 2028 LOSS OF LOAD EXPECTATION STUDY**

The Alliance for Retail Energy Markets (“AReM”)¹ respectfully submits these comments on the California Public Utilities Commission (“Commission”) Energy Division Staff (“Staff”) report providing draft inputs and assumptions to the upcoming 2028 loss of load expectation (“LOLE”) study (“Staff I&A Report”).² The *Assigned Commissioner’s Scoping Memo and Ruling* issued on December 12, 2025, in this Resource Adequacy (“RA”) proceeding, allowed for such comments,³ with the filing date extended by subsequent ruling.⁴

I. COMMENTS ON LOLE CALIBRATION AND STRESS TEST

The Staff I&A Report invites comment on the method used to surface annual and monthly LOLE and to perform a monthly LOLE stress test.⁵ This is the process used to calibrate the model

¹ AReM is a California non-profit mutual benefit corporation formed by electric service providers (“ESPs”) that are active in the California’s direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members with respect to the issues addressed herein.

² Filed as Attachment to *Administrative Law Judge’s Ruling on Energy Division’s Proposed Inputs and Assumptions*, April 10, 2026.

³ *Assigned Commissioner’s Scoping Memo and Ruling*, December 12, 2025, p. 9.

⁴ *Administrative Law Judge’s Ruling Modifying 2028 Loss Of Load Expectation Study Schedule*, March 30, 2026, p. 2.

⁵ P. 48.

such that a level of load and resources produces an annual LOLE of 0.1, and then perform the planning reserve margin (“PRM”) calculation. As part of its discussion, it specifies three possible approaches to calibrating the model if the annual LOLE is initially lower than 0.1, namely:

1. Adding Perfect Demand (aka Negative Operating Unit or NOU)
2. Removing aging thermal plants
3. Lowering the California Independent System Operator (“CAISO”) simultaneous import limit.

In the previous RA rulemaking (R.23-10-011), AReM issued a Track 2 Proposal,⁶ endorsing a 0.1 LOLE calibration approach that was also endorsed by other parties.⁷ AReM continues to support this approach, which is summarized as follows:

- First, Staff would determine the annual PRM needed to ensure the 0.1 LOLE target.
- Staff would apply this PRM to each month of the year to verify if the 0.1 LOLE target is met.
- If it is not met, the annual PRM would be increased until the 0.1 LOLE is met for the entire year when applied to each month.

If this process results in an infeasible solution, i.e. a greater capacity need in the peak month than can be supplied by existing and planned resources, AReM recommends calibrating the model to two PRMs: one for the peak month, or peak season, and one for the other months.

AReM cautions against arbitrarily removing aging thermal plants to calibrate the model as the Staff I&A Report lists as a potential calibration method. This would arbitrarily change the resource mix and may influence the PRM results. Adding “perfect demand,” another possible approach listed in the Staff I&A Report, would be preferable. The previous Staff LOLE study

⁶ R.23-10-011, Track 2 Proposals of The Alliance For Retail Energy Markets, June 14, 2024, pp. 7-8.

⁷ AReM’s proposal was based on an earlier proposal from Western Power Trading Forum.

added blocks of load to calibrate the model. AReM viewed this as an improvement to Staff's LOLE modeling and would like to see that improvement continued to be reflected in future modeling efforts.

Although AReM endorses this approach to LOLE calibration, AReM welcomes further Staff analysis of the impact of using different approaches. This would provide a more robust record for decision-making. For instance, in comments on the past LOLE study, AReM recommended testing whether load calibration using "shaped" blocks of load instead of "flat" blocks would influence the results.⁸ The Staff used "flat" blocks for the calibration, which would change the overall system load factor, whereas adding "shaped" blocks would preserve the load factor. Having such sensitivities performed would reveal whether the output of the model is sensitive to the input. If it is not sensitive, then AReM would endorse whatever method is easiest to implement.

II. CONCLUSION

AReM appreciates the opportunity to provide these comments.

Respectfully submitted,



Mary Neal
MRW & ASSOCIATES, L.L.C.

CONSULTANT TO
ALLIANCE FOR RETAIL ENERGY MARKETS

April 24, 2026

⁸ R.23-10-011, Reply Comments of The Alliance For Retail Energy Markets on Administrative Law Judge's Ruling on Revised Slice of Day Calibration Tool and Comment Schedule, September 16, 2024, p. 3.