

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



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Order Instituting Rulemaking to Continue  
Electric Integrated Resource Planning and  
Related Procurement Processes.

Rulemaking 20-05-003

**CALIFORNIA WIND ENERGY ASSOCIATION  
COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING  
SEEKING COMMENTS ON ADDITIONAL PROPOSAL  
FOR A RELIABLE AND CLEAN POWER PROCUREMENT PROGRAM**

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*On behalf of the California Wind  
Energy Association*

August 14, 2026

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**I. INTRODUCTION AND SUMMARY**

Pursuant to the *Administrative Law Judge’s Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program* (“Ruling”) issued by Administrative Law Judge Julie Fitch on June 23, 2026, and Judge Fitch’s July 13, 2026, email ruling extending the comment deadlines, the California Wind Energy Association (“CalWEA”) provides these comments on the Ruling’s additional proposal for the Reliable and Clean Power Procurement Program (“RCPPP”) (“Ruling’s Proposal”), responding to the 21 questions posed in the Ruling.

In summary:

- CalWEA strongly supports the RCPMP’s intent to align load-serving entities’ (“LSE”) procurements with the Commission’s planning portfolios and its proposed long-term contracting requirement.
- However, the Ruling’s clean energy proposal does not comply with state law. The allocation of clean resource needs must comply with AB 1584 (2019, Quirk). Compliance can be achieved by allocating clean resource needs to LSEs based on each LSE’s proportional contribution to gas-fired (greenhouse-gas-emitting) generation during system-critical hours—tying procurement obligations to the actual cause of system-integration needs.

- The Ruling’s Proposal would constrain LSEs from selecting the clean resources that best fit their portfolios, so long as clean resources deliver in system-critical hours.
- CalWEA’s proposed modifications to the Ruling’s Proposal would add compliance flexibility while complying with AB 1584 by replacing the Ruling’s proposed “archetypical resource” requirement with a much more flexible “clean, system-critical-hours delivery requirement,” requiring LSEs to procure clean resources that deliver energy during the hours when the grid is carbon-heavy and reliability-constrained. LSEs can then decide whether to seek clean resources with full capacity deliverability (“FCD”) or energy-only (“EO”) status to meet their individual NQC reliability requirements.
- The Ruling’s proposed timeframes for clean energy procurement are unrealistic. The five-year online requirement is infeasible for location-constrained resources (including wind and geothermal resources) due to 10+ year interconnection and transmission development timelines. The Commission must account for expected transmission upgrades in compliance deadlines.
- The Commission should issue a Proposed System Plan (“PSP”) every two years to align with CAISO’s new biennial transmission planning cycle under FERC Order 1920. The Commission should also align with Order 1920’s use of multiple 20-year planning scenarios to provide durable signals for long-lead-time (“LLT”) resources.
- Existing resources that are no longer under contract should be removed from the baseline and included in the “new” resources to be procured.
- There should be no upper limit or penalty for exceeding resource diversity requirements, because the Commission’s RESOLVE model does not fully value diversity benefits (e.g., supply chain, land use, and operational risks).

After more than a decade without clear procurement signals supporting wind energy development, the adopted RCPPP framework must be crafted to promote deliveries in system-critical hours from all resources and technologies capable of such deliveries, without discriminating against wind energy. Otherwise, the Commission will fail to secure the ~8 GW of in-state and 19 GW of out-of-state wind called for in the most recent PSP.

CalWEA’s proposed modifications to the Ruling’s Proposal address all its shortcomings, thereby increasing the likelihood of achieving the state’s GHG-reduction goals

cost-effectively while maintaining system reliability and providing LSEs with procurement flexibility.

## **II. RESPONSES TO THE QUESTIONS POSED IN THE RULING**

### **1. Does this ruling describe a workable framework for an RCPPP that will achieve the goals of IRP, pursuant to SB 350? Why or why not?**

CalWEA strongly supports the proposed framework’s intent to drive procurement toward the Commission’s Preferred System Plan—and thereby give that plan meaning—by requiring LSEs to procure clean, diverse resources. CalWEA also supports NQC reliability requirements based on marginal ELCC values and a 10-year contracting requirement for clean, diverse resources. However, the proposal should be made more flexible and efficient in simultaneously achieving its clean, diverse resource and NQC goals and be made compliant with state law, in the following ways.

- a. The Ruling proposes a procurement requirement for new resources, which would serve both clean energy and reliability purposes, expressed in NQC amounts by resource type or by resource attributes. The Ruling suggests that procurement requirements could be specified by “archetypical” resources, as were used in the Mid-Term Reliability order (i.e., “clean firm” resources—essentially geothermal, and long-duration storage). Such a requirement would not provide LSEs with sufficient flexibility to choose from among clean, diverse resources. Thus, it would not promote the efficient achievement of the state’s reliability and clean energy goals.

The Ruling proposes allocating the procurement need proportionately among LSEs based on each LSE’s demand during critical hours, annual energy demand, or a combination of both. Thus, this allocation method would not comply with state law, namely, AB 1584 (Quirk, 2019).<sup>1</sup>

The Commission should instead:

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<sup>1</sup> P.U. Code Sec. 397.

- (i) Convert the need for new<sup>2</sup> resources established in the PSP to a total attribute requirement – namely, delivery of clean resources during system-critical hours, expressed in GWh, for ease of implementation and compliance monitoring;
  - (ii) Allocate the need for clean resources during system-critical hours among LSEs based on each LSE’s proportional contribution to gas-fired (GHG-emitting) generation during system-critical hours;
  - (iii) In meeting their allocated shares of clean resources, provide LSEs with total flexibility to procure any mix of new clean resources (generation or storage) that are included among the resource zones comprising the Commission’s portfolio; and
  - (iv) Allow LSEs to determine whether to seek such resources with FCD or EO status as needed to meet their individual NQC requirements. While not a “diverse resource requirement” per se, this more flexible “clean, system-critical-hours delivery requirement” framework will drive the procurement of diverse resources, since these resources can competitively deliver energy during system-critical hours.
- b. The Ruling’s proposed framework does not comply with the requirements of AB 1584, because it does not allocate system integration resource procurement needs and costs based on LSEs’ individual contributions to those needs and costs. The attribute requirement described here would comply with AB 1584 requirements by allocating each LSE’s share based on its contribution to GHG-heavy system-critical hours.
- c. The Ruling’s proposed five-year timeframe for LSE procurement is too short, especially for the location-constrained resources that this proposal is intended to promote. There are very few non-solar, non-battery resources currently in the CAISO queue, and even for those in the queue, the lead time to bring them online can be 10 years or longer, given lengthy interconnection process and transmission development timelines, compounded by pervasive associated delays. In the compliance framework, the Commission should explicitly account for the timing of expected transmission upgrades.

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<sup>2</sup> Per response to Question 5, “new” resources would include any resources in the baseline that are no longer under contract.

- d. Other shortcomings of the proposed framework include:
- Relying on a single deterministic 10-year forecast, rather than developing multiple plausible long-term scenarios over a 20-year horizon to align with FERC Order 1920.
  - Postponing how to handle repowering of existing resources. All baseline resources that are no longer under contract, not just resources judged to require repowering, should be considered during the development of the RCPPP framework, not as an afterthought.
  - Penalizing LSEs for procuring a portfolio that exceeds the diverse-resource requirement. The requirement should be a minimum only, since the Commission has not valued the risk-reduction benefits of a more diverse portfolio.
  - Issuing a PSP only every four years. Rather than alternately issuing a PSP or Transmission Planning Process (“TPP”) Base Case every two years (i.e., issuing a PSP every four years), the Commission should issue a PSP every two years to coincide with CAISO’s planned new biennial comprehensive transmission planning cycle.<sup>3</sup>

These issues are discussed in more detail in response to the questions below. A complete description of CalWEA’s proposed revisions to the Ruling’s proposal is presented in response to Question 21.

**2. Will the proposal described in this ruling be simpler to implement than other proposals under consideration? Why or why not? Compare and contrast benefits and costs as directly as possible.**

Provided that implementation is feasible, whether a proposal is simpler to implement is of secondary importance to whether it meets policy objectives and state law requirements, with each LSE efficiently procuring its fair share of clean, reliable resources.

While needing improvements, the proposal described in the Ruling is far preferable to staff’s Clean Energy Standard (“CES”) Proposal, which was entirely disconnected from the

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<sup>3</sup> The transition to the new cycle will begin in 2027, with the first plan issued in 2030. See CAISO’s December 9, 2026, compliance filing for FERC Order 1920. (See <https://www.caiso.com/documents/dec-9-2025-tariff-amendment-order-no-1920-compliance-filing-er26-704.pdf>.)

Commission's IRP process and the portfolio that it produces, thus failing to drive LSE procurements toward the least-cost, reliable portfolio and deliver the many vital benefits of resource diversity. The staff proposals also lacked a long-term contracting requirement and enabled unbundled clean energy credits and resource shuffling, which the Ruling's Proposal avoids.

The Ruling's Proposal shares two fundamental flaws with the CES proposal, however: failing to support the development of all resources that deliver clean energy in the most carbon-heavy hours, and failing to align with the state law requirement (AB 1584) to allocate integration resource requirements based on causation. CalWEA's proposed revisions to this Ruling's Proposal will correct both flaws and make it simpler to implement, while providing significant LSE procurement flexibility.

**3. Is this ruling's proposal preferable to the current ad hoc procurement order process? Why or why not? Compare and contrast benefits and costs as directly as possible.**

Yes. The Ruling's proposal is substantially preferable to the status quo because it would establish clear, firm requirements that promote, to some unspecified degree, the resource diversity contained in the Commission's adopted portfolio. However, the proposed requirement should be strengthened to:

- Achieve the benefits of *all* the diverse resources in the Commission's adopted portfolio;
- Allocate system integration resource procurement needs and costs based on LSEs' individual contributions to those needs and costs, thereby complying with AB 1584 and deterring "leaning" on system GHG-emitting resources;
- Provide LSEs with maximum flexibility to choose generation or storage resources from among those contained in the zonal mapping associated with the portfolio, provided they deliver energy during system-critical hours commensurate with their need allocations, while meeting their NQC requirements;<sup>4</sup>
- Rely on longer-term—at least 10-year—procurement timeframes for location-constrained resources, as needed; and

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<sup>4</sup> Allocating need based on system-critical hours that rely heavily on GHG-emitting gas resources will promote achievement of SB 100's GHG goals.

- Lengthen the lead time given to LSEs to enter into long-term contracts.

**4. Are there other proposals already under consideration that better make the connection between long-term resource and transmission planning and LSE resource procurement? If so, which ones, and why? Compare and contrast benefits and costs as directly as possible.**

If “proposals already under consideration” refers only to the Commission’s own proposals, then no: the Ruling’s Proposal is the only one that would connect the Commission’s optimal portfolio—including clean, diverse resources—to LSE procurement through long-term planning, thus providing CAISO with a firm basis to plan transmission upgrades that support achievement of the Commission’s portfolio and LSE procurements. The Ruling’s Proposal can and should also be strengthened to address the shortcomings identified in CalWEA’s response to Question 2.

If “proposals already under consideration” refers also to parties’ proposals, then yes, other proposals would “better make the connection between long-term resource and transmission planning and LSE resource procurement,” assuming that the Ruling’s Proposal is not adjusted as CalWEA recommends. CalWEA’s and many other parties’ earlier mass-based proposals (July 15, 2025) would require LSEs to procure resources during the hours of greatest reliability risk (which are normally the most carbon-heavy hours), thereby promoting the achievement of the Commission’s diverse resource portfolio on an LSE-by-LSE basis while providing LSEs with flexibility in their procurements.<sup>5</sup> Further, CalWEA’s July 2025 proposal explicitly accounts for transmission delays and transmission capacity reserved for LLT and location-constrained resources by adjusting backward compliance penalties based on transmission availability.

However, in these comments (summarized and elaborated under Question 21), CalWEA explains how Ruling’s Proposal can, without mass-based accounting, be made more efficient at promoting the diverse resources and associated transmission contained in the Commission’s portfolio, while providing LSEs with flexibility and complying with state law.

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<sup>5</sup> As summarized in CalWEA’s August 5, 2025, Reply Comments on Staff and Party Proposals, these parties included PG&E, SCE, SDG&E, Peninsula Clean Energy, Sonoma Clean Power Authority, the California Environmental Justice Alliance, Sierra Club, Center for Energy Efficiency and Renewable Technologies, Cal Advocates, Fervo Energy Company, and Terra-Gen.



**5. If the Commission were to implement the proposal in this ruling, should the need determination be based on specific identified resources or resource attributes? How (in general) and how (specifically) should the procurement need be expressed?**

The need determination should be based on resource attributes; specifically, the delivery of clean energy during system-critical hours, expressed as gigawatt-hours (GWh), from any clean resources (generation or storage charged with clean energy) included in the zonal mapping for the Commission’s adopted portfolio (PSP or TPP Base Case). These resources would include existing resources previously in the baseline that are no longer under contract, which are likely to require major capital investments. LSEs can then determine whether to seek such resources with FCD or EO status as needed to meet their NQC requirements. While not a “diverse resource requirement” per se, this more flexible “clean, system-critical-hours delivery requirement” framework will drive the procurement of diverse resources, since they typically deliver during system-critical hours and are competitive with solar energy delivered during those hours with 4-hour batteries (provided round-trip losses are accounted for).

The need determination should absolutely *not*, as the Ruling suggests, be based on “clean firm” (i.e., geothermal) resources or any list of resources that excludes other clean resources that deliver during system-critical hours.<sup>6</sup> For example, wind energy can optimally and reliably meet the system’s clean energy and NQC (marginal ELCC) needs, as reflected in IRP portfolios.

The Commission’s latest adopted portfolio includes almost 8 GW of in-state wind and 19 GW of out-of-state wind by 2045, and yet *there is almost no development or procurement of in-state wind projects occurring in California today*<sup>7</sup> and *few or no announced new transmission proposals that would deliver out-of-state wind beyond SunZia and TransWest Express*,<sup>8</sup> with

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<sup>6</sup> The Ruling envisions that offshore wind procured by DWR will be subtracted from the total need determination.

<sup>7</sup> As documented in CalWEA’s July 6, 2026, Informal Comments on Proposed Updates to the Busbar Mapping Methodology, of the 22 “active” interconnection requests currently in the queue that specify “wind”, only six (totaling 1,921 MW) appear to be greenfield wind projects under development, of which two (1,309 MW) are in Baja, California. CalWEA is not aware of any in-state wind project currently in the permitting process.

<sup>8</sup> See Mark Specht, Union of Concerned Scientists, “California is Lagging on Wind Development. Why?” (January 29, 2026). See <https://blog.ucs.org/mark-specht/california-is-lagging-on-wind-development-why/>.

these proposals requiring some 20 years to develop.<sup>9</sup> Given this lack of activity, which is due to a lack of state support for wind energy, the Commission should not expect that sufficient wind supply will materialize unless the adopted RCPPP framework sends clear signals to investors that there will be strong demand in the California market for resources with needed attributes, namely, clean resources that deliver during system-critical hours, including wind energy.

CalWEA believes that the lack of wind development activity can, in significant part, be attributed to the fact that the Commission did not adopt any requirements or incentives to promote procurement of wind energy over the past decade, while more recently promoting limited amounts of other diverse resource types in the mid-term reliability (“MTR”) decision. Further, in its February 2026 decision adopting a TPP portfolio, the Commission reversed its 2025 policy requesting that CAISO reserve transmission capacity for in-state onshore wind. To encourage the optimal development of diverse resources, particularly location-constrained ones including wind, it is now essential that the Commission adopt an RCPPP policy that uses the need-determination and allocation protocols we propose, or adequate facsimiles.

**6. Comment on whether this ruling’s proposal is workable in its relationship to any potential CPE procurement for LLT resources.**

The Ruling proposes to subtract from the total need determination any LLT resources expected to be procured by the Department of Water Resources and to come online within a five-year timeframe, leaving the remaining need to be procured by LSEs individually. Again, a five-year timeframe is too short, failing to account for long development lead times, especially for offshore wind resources. The Commission needs to plan on a longer-term horizon of at least 10 years. If DWR cannot obtain deliveries within 10 years of portfolio adoption, other diverse resources must be planned instead.

**7. Comment on the proposal for a smaller buffer than included in the Staff Proposal from April 2025.**

Adding a buffer of at least one percent to the total need determination to account for multiple types of uncertainty and to promote a competitive market, seems appropriate.

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<sup>9</sup> The SunZia transmission line took 20 years to come online, while TransWest Express will have taken more than 25 years (16 years between application filing and permit, and 9 years expected in construction). See note 7 *supra* at p. 4.

**8. Is it appropriate to require the LSEs to procure resource and/or resource attributes with minimum and maximum levels within a range (e.g., 80-120 percent, 40-150 percent)? Propose appropriate minimum and maximum ranges, provide your rationale, and/or explain why this proposal is unworkable.**

Building flexibility into a resource diversity policy is important. However, the proposed range (indeed any range) would be arbitrary, and its lower end could become the de facto requirement.

In no case should there be an upper limit on resource diversity or a penalty for exceeding it, as the resource diversity reflected in the adopted portfolio does not result from any consideration of diversity benefits beyond the model's optimization of achieving cost, reliability, and GHG goals. Benefits not seen by the model have not been fully considered in the development of the Commission's previous resource plans. Resource diversity was a subjective and arbitrary consideration in the MTR decision that mandated the procurement of long-duration storage and geothermal resources but excluded other diverse resources with solar-complementary generation profiles, such as wind energy, and the Commission has not entertained a broader discussion of these benefits.

As discussed at length by CalWEA in numerous comments filed in this docket,<sup>10</sup> these risks include supply chain, price, and operational risks that will be present in a grid that is heavily reliant on solar and batteries; risks related to limitations on and conflicts over land availability in solar-heavy portfolios; and risks related to the potential reliability impacts of wildfire smoke on a solar-dominated portfolio. Moreover, more diverse portfolios reduce the overall need for capacity, which reduces the risk that the state's GHG goals will not be met.

**9. Comment on this ruling's proposal for need allocation to specific LSEs.**

The Ruling proposes that, in each IRP cycle, LSEs would become responsible for procuring their proportional shares of the new resources identified as needed in the five-year timeframe. The Ruling suggests this share could be determined based on "demand in critical

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<sup>10</sup> See, e.g., CalWEA's Comments on Ruling Seeking Comments on Staff Paper on Procurement Program and Potential Near-Term Actions to Encourage Additional Procurement (December 12, 2022) at pp. 5-6; and CalWEA's Comments on Proposed 2023 Preferred System Plan and Transmission Planning Process Portfolios (November 13, 2023) at pp. 5-7.

hours, annual energy demand, or a combination of both.”

None of these need-allocation methods, nor others implemented to date, would comply with AB 1584, which requires that system integration resource procurement needs and costs be allocated based on LSEs’ individual contributions to those needs and costs.<sup>11</sup> CalWEA has previously documented in this proceeding<sup>12</sup> that the Commission has acknowledged that AB 1584 requires it to develop methodologies for allocating electrical system integration resource procurement needs to each LSE based on the contribution of the LSE’s load and resource portfolio to the electrical system conditions that created the need for the procurement and for determining any costs resulting from a failure of a load-serving entity to satisfy its allocated procurement needs. Yet staff’s RCPMP Proposal and the Ruling’s proposal continue to perpetuate past methods of allocating system needs.

Instead, allocating the need for clean, diverse energy must be done based on each LSE’s proportional contribution to the need for that energy – i.e., reflecting the degree to which each LSE is responsible for GHG-emitting resources during system-critical hours. A simplified example of how this can be done is shown under Question 21.

The Commission is lamentably overdue in implementing this statutory requirement, and further postponement cannot be justified, particularly in the highly relevant context of the RCPMP. Failure to properly implement AB 1584 will perpetuate the phenomenon of LSEs “leaning” on system GHG-emitting resources, thus creating insufficient incentive to procure clean, reliable, and diverse resources.

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<sup>11</sup> P.U. Code Sec. 397 states that “[f]or purposes of this section, ‘electrical system integration resources’ means resources that provide certain electrical system integration functions, benefits, or attributes, such as flexible ramping capability.” Certainly, long-duration storage and generation resources with production profiles that are complementary to solar should be considered integration resources. The Commission has previously indicated that integration resources can be broadly construed: “[E]very resource that requires procuring or retaining, including the renewables themselves, is being used for renewable integration, since renewables are becoming the dominant resources in the electric system. While it may be the case that every single individual generation plant on the system currently is not needed for renewable integration, it is still the case that every type of resource on the system is being utilized for this purpose...” See D.19-04-040 (Issued May 1, 2019) at p. 136.

<sup>12</sup> See, e.g., CalWEA Comments on Administrative Law Judge’s Ruling Seeking Comments on Need and Process for Centralized Procurement of Specified Long Lead-Time Resources (May 24, 2024) at pp. 23-24.

**10. Comment on the proposed requirement for 100 percent of required resources to be under contract three years out.**

Offtake contracts are essential to support new resource development. Therefore, the Commission should require 100 percent of required resources to be under contract beginning three years after its portfolio is adopted, as follows:

- (a) Require LSEs to report forward contracts that will bring them into compliance with their allocated shares of the need determination,<sup>13</sup> including how contracted projects align locationally and temporally with resources in the most recent portfolio;
- (b) Issue periodic tracking reports showing compliance positions for each LSE, as the Commission does in its Annual RPS Report, discounting contracts with projects appearing in multiple LSE portfolios where the same project capacity is being claimed, or where the sum of contracts in a particular area exceeds available transmission capacity; and
- (c) Verify that PPAs remain in effect, and development milestones are being met, until project COD.<sup>14</sup>

**11. Comment on the proposed requirement for 100 percent of required resources to be online within five years from the date the need is identified and allocated.**

Such a requirement is not feasible for location-constrained resources awaiting transmission development that is 5 to 10 years (or more) away. It is therefore essential that LSEs be granted extensions (and GHG penalty waivers) commensurate with the expected timelines for the development of their contracted projects. Absent such a policy, the Ruling's goal of achieving the resource diversity in the Commission's optimal (least-cost, reliable) portfolio will be virtually meaningless, since most of the diverse resources currently in the PSP are location-constrained and require major transmission upgrades. Given the IRP optimization process and objectives, without these resources, costs will necessarily increase and/or reliability will be

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<sup>13</sup> Under CalWEA's proposed modification of the Ruling's proposal, the allocated share of the need determination would be a certain number of GWh delivered during system-critical hours.

<sup>14</sup> CAISO performs such verification from deliverability allocation to project COD.

compromised.<sup>15</sup>

The Commission should plan transmission for all PSP resources at the onset of the RCPPP, reserving firm transmission for all non-solar generation and battery-storage resources. Adjustments can be made in future cycles as necessary, based on changes in inputs, assumptions, and market response to planned transmission. If the Commission does not want to wait for the transmission upgrades associated with the resources in its portfolio, it should constrain the timelines in the RESOLVE model and remove the associated resources. Otherwise, it should be recognized that compliance delays will be necessary.

Under CalWEA's proposed need allocation method, an LSE that uses less gas-fired (GHG-emitting) generation in system-critical hours will be allocated less than its load-based pro-rata share of the total need determination. This method will encourage LSEs to seek near-term procurement of resources that can deliver within these system-critical hours. In addition, to further incentivize near-term procurement, the Commission could consider penalizing non-compliance attributable to delayed transmission by applying a penalty equal to 2-5% of the full penalty amount to incentivize LSEs to secure resources while awaiting transmission.

LSEs whose contracted resources do not become operational when the associated transmission does should be appropriately penalized (including payments of waived GHG penalties).

**12. Comment on the reasonable[ness] of the proposed cadence and sequencing of work to support the proposed framework, including (but not necessarily limited to) ELCC development, net CONE calculation, and procurement data filings.**

No comment at this time.

**13. Comment on the reasonableness of using marginal ELCC accreditation toward the procurement requirements for the resources identified in this proposal.**

CalWEA supports using marginal ELCC to establish and meet NQC requirements, but not to allocate the need determination among LSEs. That allocation must be causation-based, consistent with AB 1584, as discussed in response to Question 9.

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<sup>15</sup> As noted above, the IRP process has not considered the many benefits of resource diversity beyond what the RESOLVE model values. Therefore, the diverse resources in the portfolio represent those that are the minimum necessary.

**14. Comment on the proposal to penalize non-compliance with online resource requirements using a net CONE calculation.**

The ruling proposes to penalize LSEs for any deficiency in total required NQC procurement, based on the net cost of new entry (CONE), applied annually to the total capacity required by their online deadline for each uncured deficiency over a ten-year period. However, the RA program already provides sufficient incentives to comply with NQC requirements (and the program could be extended to cover multiple years). The RCPPP program should primarily focus on incentivizing efficient compliance with its clean power goals.

**15. Comment on the proposal to penalize failure to procure a minimum of non-lowest-cost resource procurement at the level of the highest-cost marginal resource.**

The Ruling proposes that, for LSEs that comply with the total NQC requirements but miss the specific resource or attribute-based category requirements within the total, penalties would be assessed based on the amount of NQC by which each LSE drops below the minimum amount in the range for any resource type other than the least-cost resource (currently likely four-hour lithium-ion battery storage), to be refined based on the category of resources or resource types required in each PSP portfolio. The Ruling suggests that the penalty for falling below the minimum required NQC for each resource category could be based on the highest-cost marginal resource in the portfolio, so as “to dissuade LSEs from procuring only the lowest-cost resources to meet their total requirements, while leaning on the system (and the other LSEs and their customers) to procure the more expensive resource types.”

This proposed penalty underscores the inflexibility and inefficiency of the Ruling’s overall need determination and allocation proposal. First, if both reliability and diverse clean energy requirements are based on NQC, all diverse resources must be FCDS, rather than allowing clean resources to have EO status, when appropriate. Second, the proposal fails to allow LSEs to procure lower-cost resources, even when those resources best address the gaps in its existing load/supply profile. Lastly, determining the “the level of the highest-cost marginal resource” could be difficult. While it could be based on assumed IRP costs, those costs may not match market realities.

Instead, LSEs that are not compliant with their allocated share of the attribute requirement (which, under CalWEA’s proposal, would be contracted GWh delivered during

system-critical hours) should be penalized at \$50/MWh (consistent with RPS noncompliance penalties) for each GWh they are deficient. In addition, LSEs should offset excess GHG emissions over the next three years to offset the damage caused by these emissions.

However, as transmission is the linchpin of clean energy development, it will be necessary to recognize the reality of transmission development timelines, as discussed in response to Question 11.

**16. Comment on the proposal to penalize non-compliance with contracting requirements with an administrative penalty and suggest a basis for this calculation.**

An administrative penalty may not be sufficient to foster 100% contracting. Early-stage contracts, especially for resources that must wait 5-10 years or more for transmission, must necessarily include contingencies, as the Commission should recognize in the early years. Thus, LSEs should be able to meet this requirement, and significant non-compliance penalties are in order.

**17. Comment on the proposal to move to a four-year interval for consideration of individual LSE IRPs.**

No comment at this time.

**18. Comment on the relationship of this proposal to the FERC Order 1920 proposals.**

As noted in response to Question 1, the Commission should issue a PSP every two years to coincide with CAISO's planned new biennial comprehensive transmission planning cycle, which was initiated in response to FERC Order 1920.

Beyond procedural alignment, the Commission should substantively align with FERC Order 1920. Order 1920 requires diverse, plausible long-term scenarios over a 20-year horizon, rather than a single deterministic forecast, to give durable signals to resources and transmission facilities with long development timelines. In contrast, the Ruling's Proposal relies on a single PSP/TPP base case to set procurement need only five years, running counter to the logic of FERC's order. For LLT resources, such as geothermal and in-state wind, whose 7-10+ year development timelines require confidence that a procurement signal will persist across planning cycles, a deterministic single-portfolio framework that looks only five years ahead provides



materially less certainty than a more robust scenario framework. The Commission should seek to develop an RCPPP that substantively aligns with Order 1920's planning philosophy by identifying strategic resource needs that increase resource diversity and deliver benefits across multiple long-term scenarios.

#### **19. Comment on the relationship of this proposal to the RA program.**

Neither the Ruling's reliability proposal nor its clean energy proposal aligns with the Commission's 24-hour SOD RA program framework. The RCPPP framework that CalWEA proposed in 2025<sup>16</sup> would have aligned both aspects of the RCPPP with the SOD RA program framework by using an SOD critical-hours framework. While CalWEA believes this would be the optimal approach, we can support using a marginal ELCC approach for the long-term RCPPP reliability program, provided an SOD approach is used for the clean energy program. The latter is necessary to address the state law requirement that integration resources be allocated based on causation, as discussed in response to Question 9 above and elsewhere.

Using a 24-hour framework to allocate clean energy needs would accomplish the purpose of AB 1584, which was to avoid cost shifting among LSEs and LSE's "leaning" on the CAISO system. It would do so because the 24-hour framework requires each LSE to closely match its supply and demand, thereby ensuring that each LSE addresses the procurement needs created by its load and resource portfolio, avoiding shifting system integration costs to other LSEs and promoting resource diversity.

#### **20. Comment on the relationship of this proposal to the RPS program.**

Importantly, the Ruling's proposal to require 10-year contracts is consistent with RPS program rules, which is essential to drive new developments, project repowering, and major capital improvements. The continuation of the RPS program beyond 2030, provided LSEs have fully complied, could become largely ministerial if reporting requirements can be consolidated and the WREGIS system remains available for REC counting.

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<sup>16</sup> See CalWEA's Alternative Proposal for the Design of the Reliable and Clean Power Procurement Program (July 15, 2025).

## **21. Please comment on anything else that is not already covered in the list above.**

In response to the various questions above, CalWEA noted that the Ruling’s clean energy proposal can be modified to more effectively, flexibly, and simply achieve the Commission’s optimal portfolio, while dovetailing efficiently with its long-term reliability program, and bring it into compliance with state law (AB 1584). Here, we bring together all elements of a “clean, system-critical-hour delivery requirement.”

1. The Commission develops its PSP that meets reliability and GHG requirements, based on aggregated LSE portfolios.<sup>17</sup>
2. The Commission determines total need, focused on “clean, system-critical-hours delivery requirement” based on the forward procurement requirement needed to achieve the optimal portfolio.
3. The Commission allocates the total need among LSEs based on each LSE’s proportional contribution to gas-fired (GHG-emitting) generation during system-critical hours, when gas generation is likely to be at its maximum.<sup>18</sup> This simplifies implementation and meets the intent of AB 1584. This methodology, along with the commitment to a transmission plan based on that portfolio, will drive overall LSE procurements toward that portfolio. In the table below, we provide a simplified example of how a “critical-hours-attribute allocator” can be calculated, along with the determined need.<sup>19</sup>

Focusing on system-critical hours, when system reliability needs and emissions are likely to be greatest, substantially simplifies implementation and enforcement of the policy, promoting optimal need allocation and resource diversity. No complex production-cost modeling is needed, beyond what is already performed to determine LSE’s GHG-emitting generation, because during system-critical hours, the available energy from various resources can be estimated by their typical production profile,

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<sup>17</sup> The Commission must remain committed to its optimal portfolio for transmission planning purposes, including requesting that CAISO reserve FCDS capacity for all location-constrained (non-solar and battery) resources.

<sup>18</sup> One SERVVM case can be examined to confirm that a high (at least 25%) proportion of total annual GHG emissions are produced during the 20 system-critical SOD hours (7% of the 288 SOD hours). The same SERVVM run can be used to determine each LSE’s gas-generation emissions during system-critical hours.

<sup>19</sup> The associated Excel file is available to the Commission and parties by request to [nrader@calwea.org](mailto:nrader@calwea.org).

reflected in their average capacity factors during system-critical hours.

4. LSEs can satisfy their individual clean, system-critical-hours delivery requirement with any clean new<sup>20</sup> resource that is included in the busbar map associated with the portfolio, developing their IIRP portfolios however they like.
  - a. The Commission could consider making the attribute requirement tradable.
5. The Commission determines each LSE's reliability requirement based on peak load plus PRM, expressed in marginal ELCC, per current practice. When selecting resources to meet the attribute requirement, LSEs will procure EO or FCDS resources as needed to meet their reliability requirement.
6. Per-MWh non-compliance penalties are assessed for failing to deliver allocated attributes (which also fulfills AB 1584 requirements). In addition, LSEs must make up deficits in future years.

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<sup>20</sup> As noted in response to Question 5, these resources would include existing resources previously in the baseline that are no longer under contract, which are likely to require major capital investments.

|                                                                                                |                                                                              |                                                                                      |  |                                                                                             |
|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------|
| CALWEA's Proposed Need Determination and Allocation to LSEs                                    |                                                                              |                                                                                      |  |                                                                                             |
| Illustrative Example of CalWEA's "Clean, System-Critical Hours Delivery Requirement" Framework |                                                                              |                                                                                      |  |                                                                                             |
| Assumptions                                                                                    |                                                                              |                                                                                      |  |                                                                                             |
| Number of LSEs                                                                                 | 5                                                                            |                                                                                      |  |                                                                                             |
| Number of System-Critical SOD hours (7% of 288 SOD hours/year)                                 | 20                                                                           | 4 evening net peak load hours for 5 peak months                                      |  |                                                                                             |
| Actual System-Critical Hours (7% of 8760 hours/year)                                           | 600                                                                          | Assumes 30 days/month for the 5 peak months                                          |  |                                                                                             |
| Solar CF during Critical SOD hours                                                             | 10%                                                                          |                                                                                      |  |                                                                                             |
| Geothermal CF during Critical SOD hours                                                        | 90%                                                                          |                                                                                      |  |                                                                                             |
| Storage round trip efficiency                                                                  | 80%                                                                          |                                                                                      |  |                                                                                             |
| Clean energy portion from system charge                                                        | 60%                                                                          |                                                                                      |  |                                                                                             |
| Wind CF during Critical SOD hours                                                              | 60%                                                                          |                                                                                      |  |                                                                                             |
| Need Determination (IRP Clean, Diverse Forward Portfolio Target)                               |                                                                              |                                                                                      |  |                                                                                             |
| Technology                                                                                     | Capacity (MW)                                                                | Need Determination:<br>Total clean energy content during system-critical hours (GWh) |  |                                                                                             |
| Solar                                                                                          | 35000                                                                        | 2100                                                                                 |  |                                                                                             |
| Storage (colocated, clean-energy-charged)                                                      | 5000                                                                         | 2400                                                                                 |  |                                                                                             |
| Storage (system-charged)                                                                       | 10000                                                                        | 2880                                                                                 |  |                                                                                             |
| Geothermal                                                                                     | 3000                                                                         | 1620                                                                                 |  |                                                                                             |
| Wind                                                                                           | 10000                                                                        | 3600                                                                                 |  |                                                                                             |
| Total clean energy to be procured                                                              | 53000                                                                        | 9000                                                                                 |  |                                                                                             |
| Allocation Methodology (Rewarding LSEs with low GHGs during critical reliability hours)        |                                                                              |                                                                                      |  |                                                                                             |
|                                                                                                | Total gas-fired (GHG-emitting) generation during system-critical hours (GWh) | Allocators for clean energy acquisition (LSE gas gen / total gas gen)                |  | Need Allocation:<br>LSEs' need allocation during system critical hours (GWh to be procured) |
| LSE1                                                                                           | 4000                                                                         | 0.07                                                                                 |  | 655                                                                                         |
| LSE2                                                                                           | 6000                                                                         | 0.11                                                                                 |  | 982                                                                                         |
| LSE3                                                                                           | 10000                                                                        | 0.18                                                                                 |  | 1636                                                                                        |
| LSE4                                                                                           | 15000                                                                        | 0.27                                                                                 |  | 2455                                                                                        |
| LSE5                                                                                           | 20000                                                                        | 0.36                                                                                 |  | 3273                                                                                        |
| System                                                                                         | 55000                                                                        | 1.00                                                                                 |  | 9000                                                                                        |
| Excel file available by request to nrader@calwea.org                                           |                                                                              |                                                                                      |  |                                                                                             |

### III. CONCLUSION

Should the Commission move forward with the Ruling's Proposal, CalWEA's proposed modifications would address all the problems described herein and thereby increase the likelihood of achieving the state's GHG-reduction goals most cost-effectively while maintaining system reliability and complying with state law.

Respectfully submitted,

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***On behalf of the California Wind Energy  
Association***

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