

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



FILED

08/14/26

04:59 PM

R2005003

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

Rulemaking 20-05-003
(Filed on May 7, 2020)

**SOUTHERN CALIFORNIA GAS COMPANY'S OPENING COMMENTS ON
ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON
ADDITIONAL PROPOSAL FOR A RELIABLE AND CLEAN
POWER PROCUREMENT PROGRAM**

EDWARD L. HSU

Attorney for:

SOUTHERN CALIFORNIA GAS COMPANY

555 West 5th Street, GT14E7

Los Angeles, California 90013

Telephone: (213) 244-8197

Facsimile: (213) 629-9620

Email: ehsu2@socalgas.com

Date: August 14, 2026

TABLE OF CONTENTS

I.	INTRODUCTION.....	2
II.	SUMMARY OF COMMENTS.....	2
III.	GENERAL DISCUSSION	3
A.	The RCPMP Should Recognize the Existing Gas System’s Contributions to Electric Reliability, Flexible Dispatch, Ramping Capability, and Long-Duration Energy Storage.....	3
IV.	RESPONSE TO RULING QUESTIONS	6
A.	Question 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?	6
B.	Question 6: Comment on whether this ruling’s proposal is workable in its relationship to any potential CPE procurement for LLT resources.	7
C.	Question 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...	8
D.	Question 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.	9
E.	Question 13: Comment on the reasonableness of using marginal ELCC accreditation toward the procurement requirements for the resources identified in this proposal.	10
F.	Question 21: Please comment on anything else that is not already covered in the list above.	10
V.	CONCLUSION	12

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

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

Rulemaking 20-05-003
(Filed on May 7, 2020)

**SOUTHERN CALIFORNIA GAS COMPANY’S OPENING COMMENTS ON
ADMINISTRATIVE LAW JUDGE RULING SEEKING COMMENTS ON
ADDITIONAL PROPOSAL FOR A RELIABLE AND CLEAN
POWER PROCUREMENT PROGRAM**

I. INTRODUCTION

Pursuant to the June 23, 2026, Administrative Law Judge’s (ALJ) Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program (RCPPP), Southern California Gas Company (SoCalGas) hereby submits the following Opening Comments on the proposed electric RCP. On July 10, 2026, ALJ Julie A. Fitch issued an email ruling partially granting an extension request and directing the filing and service of these opening comments to be no later than August 14, 2026.

II. SUMMARY OF COMMENTS

- Support an RCP framework that advances reliability, affordability, resource diversity, and decarbonization.
- Recognize the gas system’s continued role in electric reliability, including dispatchable generation, ramping, fuel delivery, and seasonal support.
- Leverage existing gas infrastructure to support clean firm and dispatchable resources and avoid unnecessary infrastructure duplication.
- Base Option III procurement on needed resource attributes, not prescribed technologies.
- Coordinate any future CPE procurement with RCP obligations to avoid duplicative procurement.
- Use attribute-specific procurement ranges that reflect market maturity, reliability value, procurement progress, and LSE portfolio needs.
- Apply any five-year online requirement flexibly for emerging, long lead-time, clean firm, long-duration, seasonal-duration, or repowered resources.
- Use eELCC as one tool within a broader attribute-based framework.
- Include repowers in future RCP iterations to improve reliability, reduce emissions, preserve local capacity, and leverage existing infrastructure.

III. GENERAL DISCUSSION

A. The RCPMP Should Recognize the Existing Gas System's Contributions to Electric Reliability, Flexible Dispatch, Ramping Capability, and Long-Duration Energy Storage

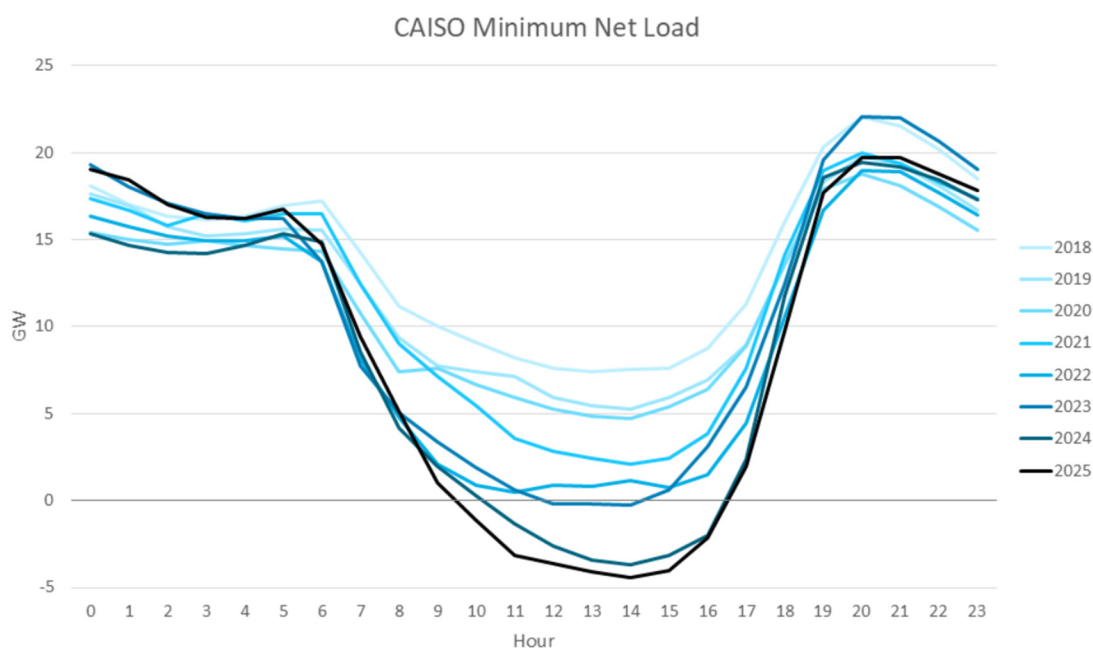
California's energy system comprises a complementary integration of the gas and electric grids. Given this relationship, the gas system plays a crucial role in not only supporting California's electric grid, but more broadly enabling the State's ability to serve demand and provide the system capacity to obtain, transport, and store energy supply. Before the expansion of renewable generation under the Renewable Portfolio Standard (RPS), natural gas generation resources interconnected to and supplied by the gas system provided most of California's electricity. The growth of renewable resources has changed how gas-fired generators and the gas system support the electric grid, yet the interdependence between the gas and electric systems continues and remains critically important to energy planning. Today, California's electric grid continues to rely on the gas system to support firm, dispatchable generation. Even with significant growth in solar and battery resources, natural gas generation accounted for approximately 36% of California's in-state power generation in 2025.¹

Renewable growth has transformed California's net load demand to net negative demand during the middle of the day (exports) with downward ramps in the morning and upward ramps in the evening. Since 2018, the average daily net load ramps have more than doubled, as illustrated in Table 1 shown below. The graph illustrates the evolution of average annual daily net load between 2018 and 2025 and demonstrates how increasing renewable penetration has reshaped net load patterns as renewable growth surpassed the 33 percent target from 2020².

¹ California Energy Commission In-State Electric Generation by Fuel Type (GWh) Table, *available at*: <https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/electric-generation-capacity-and-energy>.

² Factset, From Duck to Canyon: How CAISO's Load Profile has Evolved, <https://insight.factset.com/from-duck-to-canyon-how-caisos-load-profile-has-evolved>.

Table 1: CAISO Minimum Net Load



Note: Data shown the daily load curve where the lowest net load value was observed in each year.
Source: BTU Analytics – a FactSet Company, CAISO (Data Updated August 18, 2025)

The steeper the afternoon ramp, the greater the need for flexible resources capable of rapidly increasing electric output. The integrated gas system can provide this flexibility by ramping fuel deliveries in response to grid needs. In this way, the gas system supports electric reliability by delivering just-in-time fuel to dispatchable generators during afternoon ramps and other periods when intermittent renewables are unavailable or insufficient, imports are limited, or demand peaks.

Storage and compression assets enhance California’s integrated gas system by enabling rapid, flexible fuel delivery during periods of high electric demand. In 2024, Jim Robb, President and CEO of the North American Electric Reliability Corporation, described SoCalGas’s Aliso Canyon storage facility as “probably the most important energy asset in the state of California from an electric reliability perspective” because it can quickly deliver fuel to gas plants during the afternoon ramp when solar generation declines.³ This underscores the reliability value of the integrated gas system both today and as the grid evolves.

³ S&P Global Commodity Insights, “North America’s transforming grid needs new reliability metric, North American Electric Reliability Corporation (NERC) CEO says,” January 8, 2024, available at: <https://www.capitaliq.spglobal.com/apisv3/spg-webplatform-core/news/article?id=79825814> (emphasis added).

The figure above also explains why resource planning and the Resource Adequacy (RA) program increasingly focus on hourly reliability. Flex RA requirements and the more recently adopted Slice of Day framework reflect the growing importance of evening ramp hours. During these ramping periods, CAISO dispatches generators that must quickly increase electricity production and rely on gas infrastructure for fuel delivery that matches electricity dispatch needs. SoCalGas supports these needs through coordinated operation of pipelines, compressor stations, and storage facilities, which together meet real-time generation requirements during the most challenging hours. The gas system helps balance steady gas supplies with the variable fuel needs of dispatchable generation, especially during and after peak demand periods when this balancing function is most needed.

The gas system also provides seasonal reliability value. Designed and built to meet winter heating demand, it has available capacity during summer, when gas demand is lower and electric demand is higher. Existing gas infrastructure can store energy and deliver fuel to support dispatchable generation during summer peak and ramping periods, especially when renewable output is low, imports are constrained, or batteries are depleted. Because the gas infrastructure is an existing asset that has been built and proven, leveraging its capabilities and attributes can reduce costs for ratepayers compared with building entirely new electric delivery infrastructure.

Looking ahead, increased adoption of electric heat pumps⁴ can increase winter electric demand while reducing winter natural gas heating demand. This shift could further support electric generation, including technologies using natural gas, or other lower carbon fuels. Because the gaseous transport, storage, and delivery infrastructure is already in place, this pathway can provide additional flexibility to support the evolving grid affordably.

The RCPPP options should recognize that the interdependence between gas infrastructure and the generators connected to it are important to reliability and decarbonization. Option III advances both objectives by supporting clean firm resources that can deliver energy when and where the grid needs it. Existing gas infrastructure and rights-of-way can support deliverability by connecting lower-carbon fuels to fuel cells, linear generators, repowered facilities, and other dispatchable technologies located near existing load centers. Accounting for this deliverability value can help the Commission identify resources that complement intermittent renewables,

⁴ Page 75 of the 2022 Scoping Plan available at <https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf#page=94>

reduce reliance on conventional natural gas generation over time, support emissions reductions, promote affordability, and avoid unnecessary duplication of energy delivery infrastructure.

For these reasons, SoCalGas encourages the Commission to include repowers in the final RCPPP options. Repowers could support both system and local Resource Adequacy requirements while providing improved efficiency and lower emissions relative to the facilities they replace. Repowers can provide reliability and ramping capability and, depending on the technology configuration, may support short duration, long duration, or seasonal energy storage objectives. Because repowers can utilize existing sites and interconnections, they can improve affordability while supporting reliability and decarbonization objectives.

IV. RESPONSE TO RULING QUESTIONS

A. Question 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?

SoCalGas recommends that the Commission base any procurement need determination under Option III primarily on resource attributes, rather than specific identified resources. An attribute-based approach is more responsive to the RCPPP's objective of increasing resource diversity because it focuses procurement on the capabilities needed to maintain reliability, support affordability, and reduce emissions, while preserving a broader range of resource options to provide those capabilities.

This approach would also reduce risk of overreliance on a narrow set of resources. A portfolio that depends too heavily on solar and battery resources may appear cost-effective in the near term, but may not fully address extended periods of low renewable output, evening ramping needs, seasonal reliability challenges, or deliverability constraints. For example, a study convened by Environmental Defense Fund and Clear Air Task Force found that California will need clean firm power because wind, solar, and batteries alone may not be sufficient to maintain reliability during extended periods of low renewable output.⁵

⁵ Three models show the need for clean firm power technologies and analysis shows that their inclusion results in a more affordable portfolio versus one with renewable overbuild. Long, JCS, et al. 2021. California needs clean firm power, and so does the rest of the world. Prepared for EDF and CATF. <https://www.edf.org/sites/default/files/documents/SB100%20clean%20firm%20power%20report%20plus%20SI.pdf>.

In general, procurement need should be expressed as clearly defined attribute categories or products, each with its own procurement target or target range. This structure would be similar to the existing Resource Adequacy framework, where LSEs procure multiple products to satisfy distinct system needs rather than relying on a single resource type. Specifically, each LSE should be required to identify both the resources it has procured, and the attributes each of those resources provide. Because a single resource may provide multiple attributes, the procurement showing should quantify the amount of capacity, energy, or other measurable contribution associated with each applicable attribute category.

Potential attribute categories could include:

- **Clean energy attribute** provided by resources such as solar, wind, hydroelectric, nuclear, low-carbon fuel generation, and energy storage charged from clean resources.
- **Dispatchable or flexible attributes**, provided by resources capable of increasing or decreasing output in response to grid needs, including renewable natural gas/low-carbon fuel generation, battery storage, or other energy storage resources.
- **Long-duration storage attribute**, provided by resources capable of sustained discharge over multiple hours, including renewable natural gas/low-carbon fuel generation, or storage resources capable of eight or more hours of discharge; and
- **Seasonal-duration storage attribute**, which could be provided by resources capable of storing energy or fuel over extended periods of time and delivering energy during seasonal reliability needs such as renewable natural gas/low-carbon fuel generation, or other long-duration energy storage resources.

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

The ruling’s proposal can be workable alongside any future central procurement entity (CPE) procurement of long lead-time (LLT) resources, provided the Commission clearly accounts for any CPE procurement when establishing or adjusting LSE procurement obligations. To avoid duplicative procurement, SoCalGas recommends that the Commission first set LSE procurement obligations without assuming that CPE procurement will occur. If CPE procurement for LLT resources later materializes, the Commission should adjust the applicable LSE procurement obligations, attribute ranges or other procurement requirements to reflect that CPE procurement and avoid duplicative procurement.

This approach is also consistent with AB 1373 and D.24-08-064, which authorize CPE procurement but do not require the Commission to rely on such procurement when designing RCPPP framework. Accordingly, the Commission can design the RCPPP framework that

functions independently of CPE procurement while preserving flexibility to recognize and account for CPE procurement if it occurs.

C. Question 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.

SoCalGas does not recommend a uniform numerical range applicable to all resource attributes. Instead, the Commission should consider establishing attribute-specific ranges based on reliability value, market maturity, procurement progress, and portfolio needs. Further, SoCalGas does not support using the same procurement range for every resource attribute. Different attributes have different levels of market maturity, cost, availability, and reliability value. A uniform range could encourage LSEs to over-procure lowest-cost resources while failing to procure enough of the harder-to-develop resources that may be most important for reliability.

In particular, the Commission's approach should recognize that some resource attributes provide greater reliability value than others should therefore establish procurement ranges that vary by attribute and, where appropriate, by LSE portfolio. Those ranges should reflect the need of each attribute, its market maturity, current procurement progress, and reliability value. Attributes that are under-procured or especially important for reliability, should have meaningful minimum requirements and sufficient headroom to support project development. Attributes that are already well supplied or present lower incremental need should have narrower ranges or lower maximums to avoid overconcentration and unnecessary costs.

More specifically, procurement ranges should be tied to operational reliability needs rather than applied uniformly across all resource types or policy categories. For resources interconnected to the gas system, attributes such as dispatchability, ramping capability, long-duration reliability, and seasonal-duration reliability are enabled by the integrated operation of pipelines, storage fields, compressor stations, receipt points, and interconnections. These assets allow the gas system to balance generally ratable gas supplies with the nonratable fuel needs of electric generators during evening ramps, extreme weather events, low renewable output periods, import constraints, and multi-day reliability events. Accordingly, reliability-critical attributes supported by existing gas system operations should have meaningful minimum procurement levels and sufficient headroom to support project development, while mature or already well-

supplied attributes should have narrower ranges or lower maximums to avoid overconcentration and unnecessary costs. This would make sure that the RCPPP procures not only policy-aligned resources, but resources with deliverable operational capability during stressed system conditions.

D. Question 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.

A requirement that 100 percent of required resources be online within five years of need identification may be appropriate for some commercially mature resources, but it may be unworkable for long lead-time or emerging clean firm resources. SoCalGas recommends that the Commission adopt a more flexible compliance structure that accounts for the development timelines, permitting requirements, interconnection needs, and supporting infrastructure required for certain resource attributes.

As California transitions toward carbon neutrality, resources capable of reliably delivering dispatchable power over short, long, and seasonal durations will be critical to supporting reliability and enabling the responsible retirement or repowering of conventional generation. However, some nascent low-carbon firm dispatchable resources, or repowered facilities may require development timelines that exceed five years.

Recent clean firm resource projects illustrate this challenge. For example, Los Angeles Department of Water and Power's (LADWP) Intermountain Power Project Renewed (IPP Renewed) is a major repowering project that began development around 2018. The development period of this repower was approximately seven years.⁶ Similarly, LADWP's Scattergood Generating Station modernization project, is expected to require approximately seven years from planning through commissioning.⁷ These examples demonstrate that clean firm resources and associated infrastructure can require multi-year development timelines that may exceed a rigid five-year online requirement.

Accordingly, SoCalGas recommends that any five-year online requirement be applied flexibly. For mature resource attributes, the Commission may require a higher percentage to be

⁶ <https://www.ladwp.com/strategic-initiatives/clean-energy-future/intermountain-power-project>

⁷ Scattergood Generating Station Units 1 and 2 Modernization Project Public Scoping Meeting, available at: <https://www.ladwp.com/sites/default/files/2023-11/Scattergood%20Modernization%20Project%20-%20Scoping%20Meeting%20Presentation.pdf>.

online within five years. For emerging, clean firm, long-duration, seasonal-duration, or other long lead-time resource attributes, the Commission should allow a lower five-year online percentage, milestone-based compliance, or additional time where justified. This approach would preserve accountability while avoiding procurement rules that could discourage investment in resources needed for long-term reliability and decarbonization.

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

SoCalGas generally supports using marginal effective load carrying capability (mELCC) accreditation toward procurement requirements because it can better reflect the incremental reliability value of additional resources as the portfolio changes. By recognizing how the reliability contribution of each resource type changes as more of that resource is added, mELCC may reduce overconcentration in any single technology and support a more diverse and reliable portfolio.

That said, mELCC should not be used as the sole mechanism for determining or satisfying procurement needs. Although mELCC may measure incremental reliability value, it might not fully capture the need for firm, dispatchable, long-duration, or seasonal-duration resource attributes. Particularly where those resources are needed for reliability during extended low-renewable-output conditions or other stressed system periods. The Commission should therefore use mELCC as one tool within a broader attribute-based procurement framework that identifies needed capabilities, supports resource diversity, and preserves LSE flexibility to meet procurement obligations at the lowest reasonable cost.

F. Question 21: Please comment on anything else that is not already covered in the list above.

SoCalGas encourages the Commission to include repowers in the next iteration of the RCPMP framework. Although the ruling does not propose specific rules for incorporating repowers into current options, SoCalGas appreciates the acknowledgment that repowers may be addressed in future RCPMP efforts.

Repowers can support both reliability and decarbonization objectives by improving the performance of existing generation resources located at established sites. Many existing gas generators are more than 50 years old and are less flexible than newer technologies. Repowering those facilities can improve efficiency, reduce emissions, provide ramping capability, and, where

facilities are adapted to use low-carbon fuels, support clean, firm, dispatchable generation. Repowers can also leverage existing sites, interconnections, gas and electric transmission and distribution infrastructure, and local reliability benefits. Repowered thermal facilities also provide critical reliability during multi-day and extreme events, including heat waves, drought, wildfire smoke, and winter cold snaps.

The value of this dependable performance is reinforced by the Commission's recent adoption of a unit-specific Unforced Capacity (UCAP) framework in D.26-07-008⁸, which credits resources based on their actual forced outage performance. Aging gas units accumulate higher forced-outage rates over time, resulting in declining accreditation, whereas repowering restores modern, reliable equipment that can sustain stronger performance and accreditation going forward. This performance-based direction underscores why RCPPP should recognize repowers as a pathway to preserve and improve firm, dependable capacity. Repowers also preserve reliability in transmission-constrained load pockets such as the LA Basin and San Diego, where siting new resources is difficult and interconnection capacity is scarce.

The Commission's own findings confirm this need is growing. D.26-07-008 shows that adopted Local Capacity Requirements rise each year, from 23,618 MW in 2027 to 25,480 MW in 2029, an increase of roughly 2 percent annually. Preserving firm capacity at existing local sites through repowers is a cost-effective way to help meet rising Local Capacity Requirements, particularly in transmission-constrained areas where new siting and interconnection opportunities are limited. In addition, certain existing gas generators must be repowered or upgraded to comply with the State Water Resources Control Board's once-through-cooling regulation including Best Available Technology standards. For these reasons, repowers could responsibly reduce reliance on conventional gas generation while maintaining electric reliability.

To make repowers viable, the RCPPP framework should provide clear long-term procurement signals and address key investment barriers that could otherwise prevent projects from moving forward. These barriers include cost-recovery uncertainty due to low anticipated dispatch, Resource Adequacy revenue risk due to the short-term nature of the RA program, and over-procurement risk from load departure or unrealized electrification. To address these

⁸ Fact Sheet on the Final Decision (D.26-07-008) in Track 1 of the Resource Adequacy Proceeding (R.25-10-003), available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/oga-fact-sheet-on-track-1-final-decision-v2.pdf>

barriers, the Commission should establish multi-year forward procurement obligations of sufficient duration, provide accreditation certainty for repowered resources, such as through vintaged ELCC or accreditation values locked in at the time of contract execution, so that repowered resources maintain their reliability credit value over the contract term and, consistent with the ruling's recognition that repowers may be addressed in future efforts, define an explicit eligibility pathway for repowered resources with clear rules for how they are credited toward LSE reliability procurement obligations.

Repowers require significant financial commitments well before commercial operation which suggests the need for a framework that provides reasonable assurance that repowered resources will be needed over the long term. The Commission should also consider fair and transparent rules for transferring power purchase agreements between LSEs to address load departure or LSE insolvency risks. Including repowers in the next RCPPP iteration would help create the procurement certainty needed to support investments that improve reliability, flexibility, efficiency, and progress toward decarbonization.

V. CONCLUSION

SoCalGas appreciates the opportunity to provide these comments.

Respectfully submitted,

By: /s/ Edward Hsu
EDWARD L. HSU

Attorney for:
SOUTHERN CALIFORNIA GAS COMPANY
555 West 5th Street, GT14E7
Los Angeles, California 90013
Telephone: (213) 244-8197
Facsimile: (213) 629-9620
Email: ehsu2@socalgas.com

Date: August 14, 2026