

R2005003

Rulemaking 20-05-003

Ryan Tracey
Chief Strategy Officer
SONOMA CLEAN POWER AUTHORITY
431 E St.
Santa Rosa, CA 95404
rtracey@sonomacleanpower.org
(720) 480-9641

September 2, 2026

**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
	)	
	)	
	)	

**REPLY COMMENTS OF
SONOMA CLEAN POWER AUTHORITY
ON THE ADMINISTRATIVE LAW JUDGE’S RULING SEEKING
COMMENTS ON ADDITIONAL PROPOSAL FOR A RELIABLE AND
CLEAN POWER PROCUREMENT PROGRAM**

Sonoma Clean Power Authority (“SCPA”) submits these reply comments on the *Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program* [“*RCPPP*”] (“Additional Proposal”) issued June 23, 2026, as modified by the *Email Ruling Partially Granting Joint Inventor-Owned Utilities' Request for an Extension of Time for Comments in Response to Administrative Law Judge's Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program*, dated July 10, 2026.

I. THE ADDITIONAL PROPOSAL IS INCONSISTENT WITH THE REQUIREMENTS OF PUBLIC UTILITIES CODE § 397

Pacific Gas & Electric (“PG&E”) and California Wind Energy Association (“CalWEA”) both note that the Additional Proposal is inconsistent with Public Utilities Code § 397, which requires allocation of procurement needs to load-serving entities (“LSEs”) based on the impacts of each LSE’s load and resource portfolio.¹ As explained by PG&E, the Additional Proposal’s approach to “allocating procurement obligations on a proportional load share basis . . . require[s] LSEs that have already procured resources consistent with the Commission’s planning objectives to

¹ *PG&E Opening Comments at 3-5; CalWEA Opening Comments at 3.*

subsidize the procurement deficiencies attributable to other LSEs.”² PG&E, CalWEA, and numerous other parties have recommendations that far better align the Reliable and Clea Power Procurement Program (“RCPPP”) with Public Utilities Code § 397, including proposals to allocate need based on LSE position during system-critical hours,³ limiting any pro-rata allocations to only residual needs after reviewing LSE Integrated Resource Plans (“IRPs”),⁴ or extending Resource Adequacy (“RA”) to a multi-year program.⁵ Of the proposals from Energy Division staff, Reliability Option 1 from April 2025 is the most consistent with Public Utilities Code § 397, by looking at total need and allowing all LSE portfolio resources, both new and old, to count. SCPA urges the Commission adopt an RCPMP design that is consistent with Public Utilities Code § 397 and avoids unfairly burdening good-acting LSEs that may not have the same level of load growth driving incremental statewide resource needs and have supported decarbonization through past procurement that includes both new and existing clean resources.

II. THE ADDITIONAL PROPOSAL WILL RESULT IN REDUCED RESOURCE DIVERSITY

The California Independent System Operator (“CAISO”) correctly notes that the Additional Proposal’s “five-year requirement could narrow the range of resources capable of satisfying procurement obligations, thereby reducing resource diversity.”⁶ Many other parties flag other issues with the Additional Proposal that reduce resource diversity, including incentives for LSEs to limit representation of high-risk resources in IRPs,⁷ the absence of an emissions measurement that

² PG&E Opening Comments at 5.

³ CalWEA Opening Comments at 4; Alliance for Retail Energy Markets (“AREM”) Opening Comments at 12; Shell Energy North America (“Shell”) at 11.

⁴ PG&E Opening Comments at 6-10.

⁵ California Community Choice Association (“CalCCA”) Opening Comments at 27-28; Silicon Valley Clean Energy (“SVCE”) Opening Comments at 4-5.

⁶ CAISO Opening Comments at 6.

⁷ Public Advocates Office (“CalAdvocates”) Opening Comments at 4-6.

appropriately characterizes greenhouse gas (“GHG”) contributions of diverse resources,⁸ the creation of an upper limit on resource diversity,⁹ and the dependence on a marginal effective load carrying capability (“mELCC”) that “does not dynamically reflect the fact that diverse resources are necessary to meet grid needs.”¹⁰

Expanding on the mELCC concern, SCPA is particularly concerned that the Additional Proposal does not adequately prepare California’s grid for winter reliability needs, which Fervo Energy accurately highlighted as an emerging risk.¹¹ Electrification, data center load growth, and proliferation of solar and storage are expected to shift California’s reliability concerns from the summer to the winter—as evidenced by the concentration of loss-of-load events in December and January in Energy Division’s modeling for the 2041 year for the latest 2026-2027 Transmission Planning Process (“TPP”).¹² mELCCs are overly reductive in that they represent the reliability contribution for a resource across all seasons to a single value, when resources could have very different roles in supporting the summer reliability challenges California has experienced in the past and the winter reliability needs projected in the future. This issue is exacerbated by the requirement that eligible capacity be deliverable, given that CAISO’s power flow studies are focused on summer peak conditions, and resources that are non-deliverable in those studies could provide critical capacity or charging energy in the winter (see Section III below).

⁸ *Southern California Edison (“SCE”) Opening Comments at 11.*

⁹ *CalWEA Opening Comments at 10.*

¹⁰ *California Environmental Justice Alliance and Sierra Club (“CEJA and Sierra Club”) Opening Comments at 21.*

¹¹ *Fervo Energy Company Opening Comments at 4.*

¹² 2026-2027 TPP Proposed Decision: Modeling & Analysis at 38-40, available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan/2024-2026-irp-cycle-events-and-materials/assumptions-for-the-2026-2027-tpp/26-27-tpp-pd-resolve-and-servm-analysis.pdf>.

SCPA asks the Commission to adopt an RCPMP design that supports resource diversity and winter reliability. The Slice of Day (“SOD”) accounting supported by numerous parties¹³ is much better suited than mELCC to accomplish these goals, given the needs of each month are evaluated. The Commission should also design RCPMP to be more compatible with long-lead time (“LLT”) resource development, given the broadly-shared feedback from parties¹⁴ that a 5-year timeframe does not work with the development timelines for resources like geothermal, pumped storage, and offshore wind. Several parties offered workable approaches to this problem, including establishing project-specific online dates at contract execution for LLT resources¹⁵ or creating indicative non-binding LLT allocations for years five through ten.¹⁶ SCPA also sees Energy Division’s Reliability Option 1 from April 2025 as fundamentally more compatible with LLT development than the Additional Proposal. By allowing LSEs to manage RCPMP compliance with a mix of existing and new resources, LSEs are granted more latitude to include higher-risk and longer-timeline resources in portfolios.

III. THE ADDITIONAL PROPOSAL DOES NOT SUPPORT THE STANDALONE ENERGY-ONLY RESOURCES NEEDED TO MEET THE STATE’S DECARBONIZATION AND RELIABILITY NEEDS

American Clean Power – California (“ACP”) importantly points out that “[a]s currently proposed, [the Alternative Proposal] could identify the need for energy-only resources through the PSP but lack a clear structure to allocate requirements.”¹⁷ ACP goes on to note that “facilitating energy-only procurement is necessary to fulfill the capacity expansion results in past [Preferred

¹³ *CalCCA Opening Comments at 24-25, SCE Opening Comments at 15-16, SVCE Opening Comments at 4, PG&E Opening Comments at 2, CEJA and Sierra Club Opening Comments at 21, AReM Opening Comments at 7-8, the Joint Parties’ RCPMP Pillars Recommendations (Appendix B in ACP Opening Comments).*

¹⁴ *Over twenty parties mentioned issues with the 5-year timeframe conflicting with the development timeline in Opening Comments.*

¹⁵ *Long Duration Energy Storage Council Opening Comments at 12.*

¹⁶ *CalCCA Opening Comments at 49.*

¹⁷ *ACP Opening Comments at 9.*

System Plans (“PSPs”)]”¹⁸ and also aid in “reducing deliverability-related expenses” and “enable greater competition in LSE solicitations.”¹⁹ Santa Clarita Valley Water Agency (“SCV Water”), California Energy Storage Alliance (“CESA”), and CalWEA all share ACP’s view that standalone energy-only resources should play a role in RCPPP compliance.²⁰

As evidenced by CAISO’s points of interconnection heatmap, the opportunities for resources seeking deliverability are geographically limited, especially for location-constrained resources such as geothermal and wind. Supporting standalone energy-only resource development by recognizing RCPPP compliance value would motivate procurement of projects that can serve an essential role in charging battery storage, serve winter reliability needs, and enable the state to achieve the high rates of resource deployment needed to meet the state’s climate targets. Without standalone energy-only eligibility in RCPPP, as represented in the Additional Proposal, LSEs will continue to focus procurement on only resources with deliverability—which will bias towards battery storage (which is easier to relocate to areas of deliverability), reduce supplier competition (with adverse ratepayer impacts), and risk the state’s deployment targets. As such, SCPA asks the Commission to specifically consider an RCPPP design with a role for standalone energy-only resources. SCPA also asks the Commission to extend eligibility of on-going procurement orders to standalone energy-only resources, particularly resources that are hard to procure such as clean firm.

IV. THE ADDITIONAL PROPOSAL DOES NOT RESULT IN PROCUREMENT THAT IS RESILIENT TO FUTURE UNCERTAINTY

SVCE establishes that the state’s IRP and TPP process “provide value when they aim to prepare the system to remain resilient under the uncertain and changing future.”²¹ SCPA strongly

¹⁸ *Ibid.* at 9.

¹⁹ *Ibid.* at 10.

²⁰ *SCV Water Opening Comments* at 5; *CESA Opening Comments* at 29; *CalWEA Opening Comments* at 8.

²¹ *SVCE Opening Comments* at 19.

agrees with this yardstick and has championed a robust planning against uncertainty framework that results in resilient decisions for resource and transmission investments in the state.²² The Additional Proposal doubles-down on the state's current deterministic planning process, by taking a snapshot of market conditions, assuming a single set of assumptions about the future, and running a single optimization that then uses those results—which are not robust or stress-tested against uncertainty—to lock-in LSE procurement at a very granular level. SCPA is especially concerned about this approach because unlike past ad hoc procurement orders that target specific resource deficiencies, the Additional Proposal is endeavoring to capture *all* of LSE procurement needs. This approach leaves very little room for the market forces, competition, flexibility, and innovation that are major advantages of California's restructured market to drive down costs for ratepayers.

Several parties are especially concerned about the Additional Proposal's ability to accommodate load forecast uncertainty.²³ Past procurement orders have been focused on reducing the risk of load growing faster than expected and requiring additional procurement to ensure future reliability. Ava Community Energy aptly points out that there is also the flip-side risk that “requiring LSEs to procure large volumes of long-term resources based on uncertain load forecasts could leave them locked into above-market contracts if projected demand does not materialize, forcing their customers to bear the costs of resources that are not ultimately needed to serve them.”²⁴ This is not just a problem for individual LSEs, but also the state as a whole. Sizing long-term, fixed-price procurement to an overstated load forecast risks a worst-case outcome for ratepayers: California pays above-market contract rates for capacity it turns out not to need, while the resulting

²² See *Joint Comments of Sonoma Clean Power Authority and Peninsula Clean Energy Authority on the Order Instituting Rulemaking (R. 25-06-019)* at 3-7.

²³ *CalCCA Opening Comments* at 12, *San Jose Clean Energy (“SJCE”) Opening Comments* at 3, *Ava Community Energy Opening Comments* at 13-14,

²⁴ *Ava Community Energy Opening Comments* at 13.

surplus is sold off at low wholesale prices—benefiting other states, not the customers who paid for it. California is arguably seeing a preview of this scenario today: load growth is not materializing in any measurable way,²⁵ wholesale power prices are at ten-year lows,²⁶ and Energy Division’s recently released *Loss of Load Expectation Study for 2028* suggests that CAISO “will be over-reliable in 2028 . . . with a surplus equivalent of 6,150 MW.”²⁷

In order to support risk-prudent procurement through RCPMP, SCPA has two recommendations. First, RCPMP should be structured to be adaptive to changing market conditions. This is best accomplished by proposals similar to Energy Division’s Reliability Option 1, where procurement needs are phased-in and LSEs have the flexibility to balance the role of existing and new resources in their portfolio when future needs are uncertain. Secondly, any attribute or resource-specific requirements in RCPMP should be stress tested against uncertainty, including both low and high load growth. The Commission should limit any required procurement with attribute or resource-specific requirements to the amount that is determined to be robust and low-regrets across different futures. SCPA has demonstrated this approach in its recent IRP and found that a modest portfolio of diverse resources (including Central Valley Solar + Storage, new and existing wind contracts, and geothermal by 2032) are robust near-term contracting decisions regardless of load growth and market conditions.²⁸ Pending the trajectory of market conditions and load, SCPA can then move forward with a larger scale-up or higher concentration in a single technology—but the robust near-term contracting decisions enable it to do so cost-effectively. RCPMP should

²⁵ Actual data from CAISO OASIS shows a 2025 total of 220.3 TWh compared to a 220.2 TWh average for the three preceding years of 2022, 2023, and 2024.

²⁶ Looking at trailing 12-month day-ahead market data through August on CAISO OASIS, SP15 prices are at \$28.53/MWh, which is the lowest since 2016; NP15 prices are at \$33.35/MWh, which is also the lowest since 2016 except for 2019.

²⁷ *Loss of Load Expectation Study for 2028: Draft Results, Resource Adequacy Program, California Public Utilities Commission (August 2026)* at 6.

²⁸ *Sonoma Clean Power Authority 2026 Integrated Resource Plan Narrative at 13*, available at https://sonomacleanpower.org/uploads/documents/SOMA-Narrative-v1_Redacted.pdf.

similarly endeavor to only lock-in resources that are robust and avoid restricting LSEs from having the flexibility to reoptimize their portfolios as uncertainty reduces through time.

V. THE ADDITIONAL PROPOSAL DOES NOT ADDRESS THE ROOT CAUSE OF MISALIGNMENT BETWEEN LONG-TERM PLANNING AND RESOURCE PROCUREMENT

The Additional Proposal states that it makes the “connection between grid and system-level planning and LSE procurement . . . the focus of RCPMP.”²⁹ SCPA agrees with the Commission that there is a need to improve alignment with resource procurement and the state’s long-term resource needs. A major issue is that there is very limited resource diversity in procurement within CAISO. But the problem is further upstream than resource procurement: LSEs are not seeing resource diversity in the interconnection queues;³⁰ and developers are not seeing deliverability in areas with potential for diverse resources.³¹ The Commission should seek to resolve these issues first or risk a scenario highlighted by SCE where “overly prescriptive requirements can increase costs, limit flexibility, and impose procurement obligations that may be infeasible to meet, undermining reliability and GHG objectives.”³²

SVCE raises a better solution for addressing the connection between long-term planning and procurement, by “ensuring Transmission Plan Deliverability is reserved for resources which consistently provide system value across a broad range of scenarios.”³³ A related opportunity is that the Commission could use its designation of LLT resources for “System Need” scoring in the CAISO’s interconnection queue intake process to support development of resources that are not sufficiently available. In September 2024, CalCCA proposed a

²⁹ *Additional Proposal at 5.*

³⁰ *CAISO Cluster 15 deliverable resources were completely standalone storage and solar paired with storage; preliminary indications are that Cluster 16 will not look significantly different.*

³¹ *The CAISO POI Heatmap clearly shows deliverability limited to load centers and some pockets with solar potential; there is no deliverability in areas with wind and geothermal potential.*

³² *SCE Opening Comments at 21-22.*

³³ *SVCE Opening Comments at 10.*

systematic process where the Commission evaluates capacity in the queue against the planning need by technology, and if deficient, identify the technology as LLT.³⁴ This process would be self-correcting: an LLT designation would motivate more of the needed technology in the next queue, and if sufficient, the LLT designation would roll off. Taking these sorts of supply-side approaches are likelier to both result in addressing the Commission’s interest in promoting development of the planning portfolio and reducing procurement costs.

While considering deliverability reservations and LLT designations for interconnection as solutions, it’s important the Commission work with CAISO on improving the current application of these mechanisms. CAISO Cluster 16 is opening this October and includes 524 MW of LLT deliverability reservations for geothermal across five points of interconnection (“POIs”). CAISO has clarified that these POIs are inflexible: only projects connecting to the exact POI are eligible to enter the queue.³⁵ Furthermore, SCPA has learned through correspondence that the CAISO will only grant “System Need” points to projects interconnecting to the exact POIs, and only in the queue for deliverable resources. Given resources at designated POIs already have access to reserved capacity, SCPA sees this interpretation as nearly eliminating the value of what could be a very useful tool to encourage needed technologies to enter the queue. SCPA has not seen anything in the CAISO tariff requiring POI-level precision for LLT and sees this approach as very problematic. There are many conditions that drive siting resources, especially geothermal, that are not easy to capture in a planning model and busbar mapping process (including the fact that geothermal often is remote and connects to transmission lines, instead of substations generally used

³⁴ *CalCCA Comments on ALJ’s Ruling Seeking Comments on Electricity Resource Portfolios for 2025-2026 Transmission Planning Process (Sep 2024)* at 12-13, available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M541/K493/541493142.PDF>

³⁵ *Information on Intake and Scoring of Long Lead Time Projects for C16 at 2*, available at <https://www.caiso.com/documents/q-and-a-llt-resource-for-c16.pdf>.

as POIs in the current process). Indeed, SCPA sees a likely scenario that there will be no geothermal capacity able to take advantage of the four POIs with deliverability in its region, despite there being active projects nearby. SCPA asks the Commission to attack this issue from two angles: 1) work with CAISO to apply LLT designation at a broader level of granularity that retains the validity of CAISO's area constraint analysis but allows flexibility for siting and 2) continue to improve datasets on commercial interest so that the specific POIs of active projects are captured early on in planning and busbar mapping.

VI. CONCLUSION

SCPA is not supportive of the Additional Proposal. The Additional Proposal is inconsistent with statutory requirements for allocating responsibility, will result in reduced resource diversity, does not address winter reliability needs nor reflect value in standalone energy-only procurement, is not resilient to uncertainty, and is not targeted at the root cause of misalignment between procurement and planning. SCPA believes an SOD obligation, recognizing the value of existing resources and phasing-in over time such as Option 1 is much better suited at meeting California's procurement needs in a cost-effective and resilient manner. If the Commission determines that such an option requires additional attribute or resource-specific requirements, those requirements should be capped at the amount that is determined to be robust and low-regrets across different futures.

Given the stakes in getting RCPMP right, SCPA would be supportive of additional stakeholder workshops before issuing a proposed decision, such as recommended by several parties.³⁶ In the meantime, the Commission can support procurement through opportunities discussed above, including expanding eligibility of standalone energy-only resources in existing

³⁶ *SVCE Opening Comments at 5, Middle River Power LLC Opening Comments at 17, Western Power Trading Forum Opening Comments at 12.*

procurement orders, using LLT reservations and LLT “System Need” designations to increase the supply of underdeveloped resources, working with CAISO to improve the application of LLT mechanisms, and improving the representation of commercial interest in the resource planning and busbar mapping processes. Together, a resilient and fair RCPPP alongside proactive resource and transmission planning will deliver California an energy system that is reliable, affordable and clean.

Dated: September 2, 2026

Respectfully submitted,

/s/ Ryan Tracey

Ryan Tracey
Chief Strategy Officer
SONOMA CLEAN POWER AUTHORITY
431 E St.
Santa Rosa, CA 95404
rtracey@sonomacleanpower.org
(720) 480-9641