

**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

**REPLY COMMENTS ON THE ADMINISTRATIVE LAW JUDGE'S RULING
SEEKING COMMENTS ON ADDITIONAL PROPOSAL FOR A RELIABLE AND
CLEAN POWER PROCUREMENT PROGRAM ("RCPPP")**

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”), the California Energy Storage Alliance (“CESA”) hereby submits these Reply Comments on the Administrative Law Judge’s (“ALJ”) *Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program*, issued on June 23, 2026. These reply comments respond to parties’ opening comments on the additional RCPMP option described in the Ruling (“Option III”) and build upon CESA’s prior opening and reply comments on the April 29, 2025, RCPMP Staff Proposal.

I. Introduction

CESA appreciates the opportunity to provide these Reply Comments on the ALJ’s Ruling Seeking Comments on the Reliable and Clean Power Procurement Program (“RCPPP”) Staff Proposal. CESA's primary objective remains to achieve a reliable and decarbonized electric grid by establishing a simple and clear mid- and long-term procurement framework that accurately accounts for energy storage's contribution to emission reductions and fostering proactive investment in clean and reliable resources for California's future grid. Numerous parties support Option III as a workable framework for RCPMP adoption, albeit with some modifications.

Although several parties urge the Commission to adopt a different framework, many of the potential issues raised with Option III can be resolved through refinements that CESA addresses in these reply comments.

- **Section II** explains that many commenting parties support Option III as a workable starting point, and that the Commission should adopt an RCPPP framework based on Option III now and refine implementation details once the program is underway.
- **Section III** explains that the treatment of existing resource retention and repowering can be resolved in the initial RCPPP decision through a revised contract-status baseline and a framework that allows existing resources to satisfy separately identified retention needs without weakening procurement requirements for new resources.
- **Section IV** explains that the RCPPP schedule must promote continuity across procurement cycles by reflecting resources contracted in one cycle in the baseline of the next, and that a longer cycle may be needed to align procurement with interconnection, deliverability, and development milestones, with further provisions made for long-lead time (“LLT”) resources.
- **Section V** explains that Option III preserves California’s decarbonization goals without a separate Clean Energy Standard (“CES”) because the procurement obligation is derived from a portfolio already constructed to satisfy binding greenhouse gas (“GHG”) constraints.
- **Section VI** explains that objections premised on modeling uncertainty are best treated as opportunities to refine Preferred System Plan (“PSP”) modeling in parallel with implementation, rather than as grounds to weaken procurement categories or reject the framework.

- *Section VII* explains that the Commission should authorize transferable RCPPP compliance attributes and provide explicit guidance on permissible compliance attribute trading so LSEs can cost-effectively manage procurement obligations and facilitate efficient resource deployment.

II. The Commission should adopt an Option III-based RCPPP framework now and resolve implementation details through subsequent refinement.

While parties may disagree on the preferred framework for RCPPP, many commenting parties express support for Option III as a workable starting point that is preferred over the current ad hoc procurement order process. Although many parties, primarily consisting of load-serving entities (“LSEs”), prefer other RCPPP frameworks, such as the previously proposed Reliability Option I (“Option I”), and Reliability Option II (“Option II”), these alternatives do not maintain the alignment between integrated resource planning (“IRP”), the transmission planning process (“TPP”) and LSE procurement. CESA recommends that the Commission adopt an RCPPP framework based on Option III, as modified by the proposals described in CESA’s previous comments and expanded upon in these reply comments.

Above all, CESA urges the Commission to adopt an RCPPP framework now and refine implementation details as the program proceeds. While CESA believes several issues, such as the treatment of existing and repowered resources, can be resolved in the initial RCPPP decisions, the record has been developed extensively, and further delay would perpetuate the ad hoc procurement order process that parties widely agree should be replaced. Where the Commission determines additional development of RCPPP is warranted, those details should be resolved through subsequent stakeholder engagement, such as workshops, after an initial framework is adopted.

III. Treatment of existing resource retention and repowering can be resolved in the Commission’s initial decision on RCPPP.

A. Many parties agree that treatment of existing and repowered resources is a core design issue.

As noted in CESA’s opening comments, repowering represents a significant opportunity to support grid decarbonization and reliability objectives, but defining an accurate “contract-status” baseline is needed to send orderly signals for resource repowering.¹ The California Independent System Operator (“CAISO”) also “supports further consideration of the impacts of repowering existing resources included in the procurement compliance baseline as part of the RCPPP development and implementation process,” and calls for a mechanism to update the procurement compliance baseline so that repowered resources retain a pathway to procurement compliance value.² Calpine, among several other parties, expands the issue to existing resources more broadly, stating that the “treatment of existing and repowered resources is a threshold design issue, not an implementation detail, and should be resolved before the Commission adopts an RCPPP design”.³ Several other parties, including, but not limited to, Western Power Trading Forum (“WPTF”), Independent Energy Producers Association (“IEP”), American Clean Power – California (“ACP-CA”), San Diego Gas & Electric Company (“SDG&E”), Southern California Gas Company (“SoCalGas”), and California Community Choice Association (“CalCCA”), make similar requests for an existing resource retention and resource repowering mechanism.⁴

¹ CESA Opening Comments on RCPPP Option III, p. 11-15.

² CAISO Opening Comments on RCPPP Option III, p. 12.

³ Calpine Opening Comments on RCPPP Option III, p. 3.

⁴ WPTF Opening Comments on RCPPP Option III, p. 3-4. IEP, p. 2-4. ACP-CA, p. 6, 20. SDG&E, p. 19-20. SoCalGas, p. 10-12. CalCCA, p. 14.

B. A revised contract status baseline, coupled with provisions for existing resource eligibility under RCPMP, would strengthen Option III's viability.

With minor modifications, CESA's "contract status" baseline proposal can provide a solution that accommodates not only repowering, but also existing resource retention.⁵ Specifically, the definition of "existing uncontracted resources" could be simplified as follows, and those resources could be removed from the CPUC's baseline:

- (1) all resources that have given notice to CAISO to retire prior to the summer of the RCPMP online date compliance year;
- (2) all existing resources that do not have a contract extending over the summer of the RCPMP online date compliance year

Removal of these resources from the baseline increases the recognized need for contracted resources, whether they are existing resources, repowered resources, or new resources. Consequently, the total resource need calculated in Energy Division's modeling would increase under this framework, and CESA suggests that existing uncontracted resources also be eligible to satisfy RCPMP contracting requirements.

CESA does not anticipate that new resource need would be diluted under this framework; rather, this simplified definition of existing uncontracted resources would provide clearer signals for existing resource retention. In this vein, Clearway Energy Group ("Clearway") offers a rational proposal to expand the scope of Option III to support existing resource retention.⁶ As Clearway points out, existing resources are assumed to account for roughly half of the portfolio by 2045.⁷

⁵ CESA Opening Comments on RCPMP Option III, p. 13.

⁶ Clearway Opening Comments on RCPMP Option III, p. 8-12.

⁷ Ibid., p. 5.

As such, it is vital for existing resources to have a clear opportunity for economic retention. To ensure that contracting existing resources does not compromise new resource development, Clearway proposes that LSEs could substitute new resource procurement for existing resource needs but not allow existing resource procurement to replace the need for new resources.⁸ This approach appropriately balances the need to retain existing resources with the need to maintain strong procurement signals for new resources. CESA therefore recommends that the Commission adopt a modified Option III framework that recognizes existing resource retention needs without allowing existing resource procurement to weaken new resource procurement requirements.

IV. RCPPP timelines should promote continuity across procurement cycles.

Several parties recommend extending the overall procurement cycle to approximately seven years to better align contracting, TPD allocation, and realistic project development timelines. NextEra explains that under the post-Interconnection Process Enhancements framework, the Ruling's proposed schedule would leave multiple TPD allocation opportunities without a corresponding procurement signal. CESA supports NextEra's view that a longer cycle may be needed so procurement decisions occur early enough to support interconnection milestones, deliverability allocation, financing, and development.⁹ While generally supportive of the seven-year timeline proposed by NextEra, CESA reiterates that RCPPP's schedule must foster continuity across RCPPP cycles; contracted resources from one cycle must be reflected in the baseline of the following cycle to accurately represent procurement need.¹⁰

⁸ Ibid., p. 11.

⁹ NextEra Opening Comments on RCPPP Option III, p. 8-11.

¹⁰ CESA Opening Comments on RCPPP Option III., p. 19-20.

As CESA noted in its opening comments, LLT resources may still require additional flexibility to reflect achievable development timelines.¹¹ Several parties share similar concerns that LLT resources must be given flexibility beyond the timelines originally proposed in the Ruling introducing Option III. For example, the Long Duration Energy Storage Council (“LDES Council”) recommends LSEs be allowed to establish project-specific CODs at contract execution, with compliance requirements and penalties recognizing those agreed-upon timelines.¹² Hydrostor proposes a “COD Extension Flexibility” mechanism that would accommodate the longer development timelines needed for LLT resources.¹³ Such a mechanism would protect LSEs from penalties before the LLT resource’s contracted COD, thereby encouraging LSEs to develop LLT resources that are critical for cost-effectively meeting the state’s long-term decarbonization and reliability goals. As such, CESA recommends the Commission adopt a COD Extension Flexibility mechanism.

V. Option III can preserve California’s decarbonization goals without a separate CES.

Several parties contend that Option III cannot ensure achievement of the IRP's clean energy and greenhouse gas reduction goals because it contains no requirement directed specifically at those goals. The Union of Concerned Scientists and Natural Resources Defense Council (“UCS/NRDC”) argue that Option III has no requirements geared specifically towards clean energy and GHG goals, that its flexible compliance structure could fail to bring online sufficient new clean resources, and that it leaves room for resource shuffling.¹⁴ Southern California Edison Company (“SCE”) contends that reliability and GHG reduction are distinct objectives that cannot be advanced through a single procurement obligation measured in marginal effective load carrying

¹¹ Ibid., p. 21.

¹² LDES Council Opening Comments on RCPPP Option III, p. 5.

¹³ Hydrostor Opening Comments on RCPPP Option III, p. 4-5.

¹⁴ UCS/NRDC Opening Comments on RCPPP Option III, p. 1-4.

capability terms.¹⁵ The Public Advocates Office, CalCCA, and San Jose Clean Energy raise related concerns.

CESA does not share the view that a separate CES is necessary and submits that the concern is better addressed through calibration of the procurement requirements themselves. The greenhouse gas emissions constraint is already embedded in the portfolio from which the procurement obligation derives. Energy Division's modeling includes a GHG emissions target for the electricity sector as a binding constraint. As such, Option III derives the entire procurement obligation from a portfolio that was constructed to satisfy emissions reduction constraints, which over time, will naturally phase out reliance on emitting resources. Furthermore, NextEra observes that Option III "wisely sidesteps many complexities of coordinating across the IRP and RPS programs by anchoring the RCPPP needs determination in the adopted IRP portfolios designed to comply with the electric-sector GHG and RPS laws."¹⁶ Layering a separate CES atop a portfolio that already reflects a binding emissions constraint would introduce a redundant compliance structure to pursue an objective that is already being optimized.

Concerns that Option III risks falling short of meeting decarbonization targets without a CES are misplaced as long as procurement ranges are designed thoughtfully. CESA agrees that if LSEs may satisfy the total Net Qualifying Capacity ("NQC") requirement while departing materially from the modeled category quantities, the resulting portfolio may fail to deliver the reliability and clean energy targets set forth in the PSP. However, as CESA noted in its opening

¹⁵ SCE Opening Comments on RCPPP Option II, p. 5-7.

¹⁶ NextEra Opening Comments on RCPPP Option III, p. 3.

comments, this risk can be mitigated through robust modeling, sufficiently narrow procurement bands, and non-compliance penalties.¹⁷

VI. Objections based on modeling uncertainty represent opportunities to refine PSP modeling.

Several LSEs object that binding procurement derived from the adopted portfolio will reduce flexibility and raise costs. CalCCA supports its objection with RESOLVE runs showing the least-cost portfolio shifts materially with modest cost changes.¹⁸ SCE contends that planning portfolios "were not designed to operate as binding procurement mandates."¹⁹ CESA acknowledges the philosophy that "all models are wrong, but some are useful"; whereas dissenting parties emphasize the former portion of this statement, CESA believes Energy Division's modeling represents a necessary and useful guide for LSE procurement, and several improvements can be made to the process to reinforce its utility.

Various parties offer prudent suggestions to do so. For example, the Joint Solar Parties ("JSP") suggest expanding the IRP inputs and assumptions stakeholder review period from two to six weeks and leveraging off-cycle years to pursue long-term modeling improvements.²⁰ SDG&E recommends a formal workshop process early in each IRP cycle, allowing parties to propose inputs and candidate resources with supporting evidence in place of the current informal comment process.²¹ ACP-CA recommends additional pathways for submitting data on resource zones and commercial activity.²² Further improvements suggested by parties include strengthening the modeling methodology for valuing LDES,²³ more frequent updates on resource cost and

¹⁷ CESA Opening Comments on RCPMP Option III, p. 8.

¹⁸ CalCCA Opening Comments on RCPMP Option III, p. 16-22.

¹⁹ SCE Opening Comments on RCPMP Option III, p. 8.

²⁰ JSP Opening Comments on RCPMP Option III, p. 4-5.

²¹ SDG&E Opening Comments on RCPMP Option III, p. 21-22, 40.

²² ACP-CA Opening Comments on RCPMP Option III, p. 23.

²³ Form Energy Opening Comments on RCPMP Option III, p. 6-9; LDES Council p. 10.

performance assumptions,²⁴ and transparent mapping from modeled portfolios to procurement categories.²⁵ Collectively, these refinements draw on parties' expertise to mitigate concerns with modeling uncertainty while preserving Option III's link between planning and procurement. The Commission should pursue such modeling refinements in parallel with RCPPP implementation.

VII. Compliance attribute trading should be authorized under RCPPP.

CESA supports the Load Migration Proposal advanced by the Alliance for Retail Energy Markets ("AREM") and supported by Calpine and WPTF.²⁶ Establishing transferable RCPPP compliance attributes alongside a corresponding trading mechanism enables LSEs to cost-effectively manage risks associated with procurement mandates. This recommendation is further echoed by LDES Council, which suggests that the Commission establish a mechanism allowing the transfer of net qualifying capacity among LSEs for RCPPP compliance, observing that transferability would facilitate more efficient deployment of resources where projects can be most economically and feasibly developed.²⁷ CESA recommends the Commission provide explicit guidance regarding permissible compliance attribute trading for RCPPP-procured resources.

VIII. Conclusion

CESA appreciates the opportunity to submit these reply comments.

Respectfully submitted,

September 2, 2026

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²⁴ Fervo Opening Comments on RCPPP Option III, p. 4.

²⁵ GreenGen Opening Comments on RCPPP Option III, p. 9.

²⁶ AREM Opening Comments on RCPPP Option III, Attachment A; Calpine, p. 7; WPTF, p. 7-8.

²⁷ LDES Council Opening Comments on RCPPP Option III, p. 14.