

Decision 21-06-027 June 24, 2021

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003

ORDER MODIFYING DECISION 21-03-056 TO CLARIFY GUIDANCE IN THE EMERGENCY LOAD REDUCTION PROGRAM REGARDING A DAY-OF TRIGGER

Summary

This decision modifies Decision 21-03-056 to clarify that the adopted Emergency Load Reduction Program shall have both day-of and day-ahead triggers for Group A participants. It additionally clarifies that following an Alert, Warning, Emergency declaration by the California Independent System Operator, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company will exercise discretion to activate the day-of trigger for Group A participants, either selectively staggered over time or all participants at the same time.

1. Background

The Commission has issued two previous decisions in this rulemaking. Decision (D.) 21-02-028 issued direction regarding power capacity contracts to augment summer 2021 reliability. D.21-03-056 issued direction regarding actions

the electric investor-owned utilities (IOUs) shall take to prepare for potential extreme weather in the summers of 2021 and 2022.

One major element of D.21-03-056 is the establishment of the emergency load reduction program (ELRP) pilot as a tool for the large electric investor-owned utilities and the California Independent System Operator (CAISO) to “access additional load reduction during times of high grid stress and emergencies involving inadequate market resources, with the goal of avoiding rotating outages while minimizing costs to ratepayers.”¹

On April 27, 2021, the Commission issued a joint assigned commissioner and Administrative Law Judge (ALJ) ruling that outlined a potential inconsistency in D.21-03-056 regarding the existence of a day-of trigger in the ELRP. That joint ruling outlined potential modifications to D.21-03-056 that would resolve this inconsistency.

2. Issues Before the Commission

At issue before the Commission is the trigger mechanisms developed in calling the ELRP, and specifically the availability of a day-of trigger for Group A participants.

3. ELRP trigger in D.21-03-056

D.21-03-056 indicated that “[t]here is no ELRP Day-Of trigger for Group A or Group B defined at this time.”² This decision also indicates that “we remove the day-of trigger option, keeping only the day-ahead trigger.”³

Ordering Paragraph 8 of D.21-03-056 directs the large electric investor-owned utilities to file an advice letter incorporating the ELRP terms,

¹ Decision 21-03-056 at 18.

² Decision 21-03-056 at Attachment 1, at 8.

³ Decision 21-03-056 at 57.

conditions, and guidelines set forth in the Attachment 1 of the decision.

Attachment 1 indicates that “[f]ollowing an [Alert, Warning, Emergency (AWE)] declaration by the CAISO, the Board will periodically assess the current and forecasted grid conditions and provide guidance on target load reductions to be sought by the IOUs from Group A participants.”⁴ One interpretation of this guideline might be that the large electric investor-owned utilities are directed to seek load reductions from Group A subsequent to a CAISO AWE declaration as defined by the CAISO Operating Procedure 4420, which by definition are day-of notices. This could imply that ELRP should utilize both day-ahead and day-of triggers.

On April 26, 2021, Southern California Edison Company (SCE), jointly with Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E), submitted a Tier 1 Advice Letter providing each IOU’s ELRP pilot terms and conditions. The advice letter does not propose a day-of trigger for ELRP.

4. Party position on ELRP trigger

This issue of appropriate trigger for the ELRP is discussed in the admitted testimony in the evidentiary record of this proceeding.

PG&E indicated that it “believes the ELRP should be triggered as a result of a CAISO Warning. This is predicated on the understanding that the ELRP is intended to be an “emergency” pilot, thereby focusing on the Day-Of/Real-Time period.”⁵

⁴ Decision 21-03-056 at Attachment 1, at 8.

⁵ Exhibit PG&E-1 at 3-2.

SCE indicated that the “[g]rid needs and emergencies are fluid and dynamic and cannot always be predicted; therefore, the ability to call events on a day-ahead and day-of basis would provide the most flexibility.”⁶

The California Large Energy Consumers Association indicated that it assumes “that the ELRP would be triggered on a day-of basis in response to an emergency. However, there is merit to consideration of a day-ahead program in addition to the ELRP.”⁷

The DR Coalition indicated that the appropriate notification time would be “30 minutes to enable ELRP to be used immediately following the occurrence of N-1 emergencies.”⁸

5. Modifications to D.21-03-056

Considering the totality of the record, the modifications outlined in Attachment 1 of this decision are adopted.

In this, we clarify that ELRP is to have both a day-ahead and day-of event trigger. At this time, this direction is specifically for Group A participants although D.21-03-056 does allow a ministerial pathway for the consideration of a day-of trigger to be enabled for Group B participants.⁹ We further clarify that following any AWE declaration by the CAISO, the IOUs will exercise discretion to activate the day-of trigger for Group A participants, either selectively staggered over time or all participants at the same time. The start time and duration specified by the IOU defines the ELRP event window for the Group A participants called by the IOU for the day-of trigger. This guidance is similar to

⁶ Exhibit SCE-1 at 7.

⁷ Exhibit CLECA-1 at 8.

⁸ Exhibit DRC-1 at 14.

⁹ D.21-03-056 Attachment 1 at 15.

that associated with the day-ahead Alert in D.21-03-056, which gives IOUs discretion to activate the day-ahead trigger following a day-ahead Alert by the CAISO.

Finding of Fact 24 of D.21-03-056 is modified to indicate that the appropriate triggers for ELRP are both day-of and day-ahead. Additionally, the Attachment 1 of D.21-03-056 is updated to be consistent with the direction in this section. Within 15 days of the issuance of this decision, PG&E, SCE and SDG&E are directed to jointly file a Tier 1 Advice Letter incorporating these new terms and conditions.

6. Comments on Proposed Decision

The proposed decision of ALJ Brian Stevens in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on June 8, 2021 by Protect Our Communities Foundation and a joint filing by Sierra Club, California Environmental Justice Alliance, and Union of Concerned Scientists. Reply comments were filed on June 14, 2021 by Southern California Edison Company, Protect Our Communities Foundation, and Pacific Gas and Electric Company. We considered all comments and reply comments and modified the requirement for a supplemental advice letter to be filed to requiring a Tier 1 Advice Letter to be filed.

7. Assignment of Proceeding

Marybel Batjer is the assigned Commissioner and Brian Stevens is the assigned ALJ in this proceeding.

Findings of Fact

1. ELRP triggers should be tied to the CAISO's AWE process as defined by the CAISO Operating Procedure 4420.
2. The ELRP is intended to be an emergency program, with reliability benefit for the program being triggered in both the day-ahead and the day-of timeframes.
3. Grid needs and emergencies are fluid and dynamic and cannot always be predicted; therefore, the ability to activate ELRP triggers on a day-ahead and day-of basis would provide the most flexibility.
4. On April 26, 2021, pursuant to Ordering Paragraph 8 of D.21-03-056, PG&E, SCE, and SDG&E jointly submitted an advice letter providing each IOU's ELRP pilot terms and conditions.
5. Within 15 days of the issuance of this Decision, PG&E, SCE and SDG&E could jointly file a Tier 1 Advice Letter incorporating the new ELRP terms and conditions regarding the day-of trigger.

Conclusions of Law

1. The modifications to D.21-03-056 outlined in Attachment 1 of this decision should be adopted.
2. The appropriate triggers for the ELRP should include both day-of and day-ahead.
3. Following any Alert, Warning, Emergency declaration by the CAISO, PG&E, SCE, and SDG&E should be authorized to exercise discretion to activate the day-of trigger for Group A participants, either selectively staggered over time or all participants at the same time. The start time and duration specified by the investor-owned utility should define the Emergency Load Reduction Program

event window for the Group A participants called by the investor-owned utility for the day-of trigger.

4. Within 15 days of the issuance of this Decision, PG&E, SCE and SDG&E should jointly file a Tier 1 Advice Letter incorporating the new ELRP terms and conditions regarding the day-of trigger.

5. Rulemaking 20-11-003 should remain open.

O R D E R

IT IS ORDERED that:

1. The modifications to Decision 21-03-056 outlined in Attachment 1 of this decision are adopted.

2. The appropriate triggers for the Emergency Load Reduction Program are both day-of and day-ahead.

3. Following any Alert, Warning, Emergency declaration by the California Independent System Operator, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company will exercise discretion to activate the day-of trigger for Group A participants, either selectively staggered over time or all participants at the same time. The start time and duration specified by the investor-owned utility defines the Emergency Load Reduction Program event window for the Group A participants called by the investor-owned utility for the day-of trigger.

4. Within 15 days of the issuance of this Decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall jointly file a Tier 1 Advice Letter incorporating the new Emergency Load Reduction Program terms and conditions regarding the day-of trigger.

5. Rulemaking 20-11-003 remains open.

This order is effective today.

Dated June 24, 2021, at San Francisco, California

MARYBEL BATJER

President

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE HOUCK

Commissioners

ATTACHMENT 1:
ADOPTED MODIFICATIONS TO
DECISION (D.) 21-03-056 IN REDLINE