

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Forward
Resource Adequacy Procurement Obligations.

Rulemaking 19-11-009
(Filed November 7, 2019)

**OPENING COMMENTS OF
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL, CPOWER,
AND LEAPFROG POWER, INC. ON
PROPOSED DECISION ON TRACK 3B.2 ISSUES: RESTRUCTURE OF
THE RESOURCE ADEQUACY PROGRAM**

Dated: June 30, 2021

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I. INTRODUCTION

The California Efficiency + Demand Management Council (“Council”),¹ CPower, and Leapfrog Power, Inc. (collectively “the Joint Parties”) respectfully submits these Opening Comments on the Proposed Decision on Track 3B.2 Issues: Restructure of the Resource Adequacy Program (“Proposed Decision” or “PD”), mailed in this proceeding on June 10, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

II. SUMMARY

The Joint Parties appreciate this opportunity to respond to the Proposed Decision and recommend that the Commission approve it with no revisions. The Pacific Gas and Electric Company (“PG&E”) “Slice-of-Day” proposal best meets the Commission’s four key principles and would most effectively incorporate the growing number of use-limited resources into the Resource Adequacy (“RA”) regime compared to other parties’ proposals. However, additional detail is necessary before the Joint Parties can take a final position on it, so we look forward to the five specified workshops.

¹ The views expressed by the California Efficiency + Demand Management Council are not necessarily those of its individual members.

III. THE COUNCIL SUPPORTS FURTHER DEVELOPMENT OF PG&E'S "SLICE-OF-DAY" PROPOSAL

The PD applies four specific principles to narrow down the number of party proposals for a new Resource Adequacy ("RA") regime and directs that PG&E's Slice-of-Day proposal be further developed through a minimum of five workshops over the next six months covering 1) structural elements, 2) resource counting, 3) need determination and allocation, 4) hedging, and 5) unforced capacity evaluation and multi-year requirement proposals.²

The Joint Parties generally agree with the PD's assessment that the Slice-of-Day proposal, as it is currently defined, comes closest among all of the proposals to satisfying the Commission's four principles.³ However, additional details are needed before the full merits of the proposal can be assessed. The focus of the five workshops directed in the PD appears adequate to properly flesh out this proposal. In its current form, it appears that the proposal would minimize costs to customers by ensuring that sufficient resources are available during the hours when they are needed and not when they are not needed. Whether the "bottom-up" or "top-down" approach is used to set each load-serving entity's ("LSE's") RA requirement by slice, the requirements would generally reflect the seasonal load curve which would ensure energy sufficiency without over-procuring.

The Slice-of-Day proposal is also simpler than it might appear. Though each "slice" would have its own seasonal RA requirement, actual procurement and reporting would not be significantly more complicated than it is now because three seasonal filings, rather than the current 12 monthly filings, would be required to demonstrate compliance. Also, the proposal most closely resembles the current regime, so it could likely be implemented in 2023 for the 2024 RA year.

The Slice-of-Day proposal would also likely be more effective than the other parties' proposals in incorporating the growing amount of use-limited dispatchable resources because it would place a higher value on resources that can be available during the highest peak (net peak or gross peak) periods, thus incentivizing their availability when they are most needed. One of the Joint Parties' major concerns with the Net Qualifying Energy ("NQE") proposals was that they did not appear to properly value capacity based on its availability during the highest value

² Proposed Decision, at Ordering Paragraph 1.

³ *Id.*, at pp. 28-36.

periods of the day. The proposal also accounts for the growing load associated with energy storage charging that should not be ignored, especially with such a large amount of new energy storage capacity in the pipeline.

III. CONCLUSION

The Joint Parties appreciate this opportunity to provide these Opening Comments on the Proposed Decision and recommends the Commission to adopt the PD with no revisions.

Respectfully submitted

June 30, 2021

/s/ GREG WIKLER

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