



**Joint Informal Comments on the Resource Adequacy Frameworks Working Group Process of the Natural Resources Defense Council, the Center for Energy Efficiency and Renewable Technologies, the California Energy Storage Alliance, the Solar Energy Industries Association, the Large-scale Solar Association, American Clean Power – California, the California Efficiency + Demand Management Council, the California Large Energy Consumers Association, Southern California Edison, and Pacific Gas and Electric**

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Resource Adequacy Proceedings R. 21-10-002 and R.19-11-009, February 7, 2022

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The Natural Resources Defense Council (“NRDC”), the Center for Energy Efficiency and Renewable Technologies (“CEERT”), the California Energy Storage Alliance (“CESA”), the Solar Energy Industries Association (“SEIA”), the Large-scale Solar Association (“LSA”), American Clean Power – California (“ACP-CA”), the California Efficiency + Demand Management Council (“CEDMC”), the California Large Energy Consumers Association (“CLECA”), Southern California Edison (“SCE”), and Pacific Gas and Electric (“PG&E”), collectively the “Joint Parties,” appreciate the opportunity to provide joint informal comments on the Resource Adequacy (“RA”) Frameworks Working Group Process.

In these comments, Joint Parties reiterate their support for the 24-slice, 12-month Slice of Day framework (“Hourly Framework”) originally presented by Southern California Edison,<sup>1</sup>

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<sup>1</sup> 24-Hourly Slices Presentation, Southern California Edison, October 6, 2021. [https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/workshop-2-sce\\_ra-framework-presentation-final.pdf](https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/workshop-2-sce_ra-framework-presentation-final.pdf)

supported by Pacific Gas & Electric, and refined through stakeholder input through the workshop process. The Joint Parties represent a broad set of market participants and stakeholders, including the state's two largest Load Serving Entities (LSEs), trade associations representing the renewables, storage, and demand response industries, and environmental advocacy groups. The Joint Parties represent a diversity of market and policy interests, and bring extensive expertise related to reliability and resource planning, market design, commercial transactions, and legal and regulatory policy relevant to RA structural reform.

While individual parties have unique perspectives on implementation details, Joint Parties are aligned in their support for the core tenets of the Hourly Framework as the best path forward for the evolution of the RA program. The Hourly Framework is a refined evolution of the Slice of Day framework directionally adopted in D.21-07-014, which would:

- Provide a more robust and adaptable reliability structure that can address a wide range of future grid conditions and emerging reliability needs;
- Be iteratively calibrated and managed using industry standard reliability analysis to mitigate both reliability and overprocurement risk;
- Facilitate more effective participation of preferred resources through the explicit representation of hourly dynamics and storage charging requirements;
- Reduce barriers to demand-side management and distributed resource participation in the RA program through the use of LSE-specific load shapes;
- Support near- and long-term resource planning by individual LSEs as a linkage between the RA and Integrated Resource Planning processes; and
- Retain many key elements of the current program, including a bilateral marketplace, resource transactability, and existing CAISO market participation rules.

The Joint Parties support a managed, thoughtful transition to the new RA framework, with an emphasis on minimizing disruption to existing contracts and on-going procurement, and a strong emphasis on the role of probabilistic reliability modeling as a key input to program calibration and robustness. The Joint Parties look forward to working with Energy Division and parties on continued calibration of the final RA framework, and submit the attached consensus principles to guide program implementation.

## **RA Slice of Day Coalition Principles<sup>2</sup>**

**Summary Position:** Support the 24-slice, 12-month Slice of Day Framework (“Hourly Framework”) approach as the best path forward to ensure reliability, maximize the ability of preferred resources to provide RA capacity commensurate with their operational capabilities, and properly align reliability incentives for LSEs.

### **1. Structural Elements:**

- a. **Framework:** Adopt the Hourly Framework with hourly capacity and storage charging sufficiency checks
- b. **Showing:** Single monthly showing of resources (not 24 hourly showings)
- c. **Must Offer:** Maintain compatibility with CAISO market operations and CAISO Must Offer Obligation rules

### **2. Resource Counting:**

- a. **Variable Energy Resources:** Assign variable renewable resources a month-hour profile in a manner:
  - i. Commensurate with expected availability
  - ii. Transparent and accessible to stakeholders
  - iii. Inclusive of technology and geographic diversity
  - iv. Which recognizes the unique characteristics of hybrid resources
- b. **Storage and DR:** Assign storage and DR efficiently across hours consistent with their capabilities
- c. **Conventional Resources:** Assign conventional resources counting characteristics commensurate with their operational characteristics
- d. **Transition:** Minimize disruptions when transitioning resources to new counting methodologies

### **3. Need Determination and Allocation:**

- a. **Load:** Use LSE-specific load shapes
  - i. Establish avenues for greater participation of BTM / DSM load modification technologies and approaches
- b. **PRM:** Determine PRM annually / biennially informed by LOLE analysis through the IRP

### **4. IRP Integration:**

- a. Incorporate RA test into LSE IRP filings
- b. Use IRP submissions for annual or biennial calibration

### **5. Transactability:**

- a. Each RA resource will have all relevant slices bundled with the resource
- b. Maintain the ability to trade RA capacity, including a pro-rata share of an RA resource
- c. Respect the terms of existing PPAs between power suppliers and LSEs

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<sup>2</sup> The coalition principles were [presented at the 12/15/21 stakeholder workshop](#) on behalf of: The Natural Resources Defense Council, the Center for Energy Efficiency & Renewable Technologies, Vote Solar, the Solar Energy Industries Association, the American Clean Power Association, the California Efficiency + Demand Management Council, and Southern California Edison.

Respectfully submitted,

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/s/ Nick Pappas

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