

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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

Rulemaking 21-10-002

**COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION
ON FUTURE OF RESOURCE ADEQUACY WORKING GROUP REPORT**

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***On behalf of the California Wind
Energy Association***

March 24, 2022

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

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I. INTRODUCTION AND SUMMARY

Pursuant to Administrative Law Judge Chiv’s March 4, 2022, Ruling Seeking Comments on The Future of Resource Adequacy Working Group Report and The Local Capacity Requirement Working Group Report (“Ruling”), the California Wind Energy Association (“CalWEA”) respectfully submits these opening comments on The Future of Resource Adequacy Working Group Report (“Working Group Report”) only.

II. COMMENTS

Two questions were posed in the Ruling, which we respond to in order.

(1) What additional milestones are necessary to further develop the preferred RA framework and when should the milestones be achieved? Provide preferred timelines that reflect paths to implementation.

a. Please comment on the feasibility of the milestones/timeline and whether a phased-in implementation timeline or test year prior to full implementation is necessary.

CalEPA strongly prefers Gridwell’s proposed two-slice Resource Adequacy (“RA”) capacity framework in large part because it would rest on a Loss of Load Expectation (“LOLE”) study that would serve as an integrated, well-established, and technically sound basis for meeting the desired reliability standard and calculating an associated Planning Reserve Margin (“PRM”) and Effective Load Carrying Capability (“ELCC”) values for variable and use-limited

resources.¹ Therefore, and as anticipated by Energy Division in its recent LOLE study,² further vetting of the details of the Energy Division study should be conducted in view of the Commission’s adoption of the two-slice framework (with any refined details) in summer 2022, in advance of running the final study, which should be concluded in time to support implementation of the two-slice approach in RA-year 2024. CalWEA believes this timeline is realistic, particularly given the groundwork that has been laid by Energy Division’s LOLE study and the initial round of stakeholder input that has just concluded.

Further supporting this timeline is another major benefit of the two-slice approach, which is that it would maintain the current RA program and markets with very limited risk of possible unintended consequences. Once the upfront investment in time and resources required to produce the LOLE study is made, that exercise would simultaneously determine the PRM and ELCC values, avoiding the need to separately address these issues.

For these reasons, a phased-in implementation timeline or test year prior to full implementation would not be necessary under the two-slice approach.

Regarding the California Independent System Operator (“CAISO”) system, as noted in Gridwalls’ two-slice proposal,³ its proposal does not change the logistical process of RA showings or must-offer obligations and avoids changes to the CAISO’s RA user interface, avoiding CAISO implementation concerns. The limited changes that the CAISO may need to make can be made once the Commission adopts the structural framework in parallel to conducting, and/or just following, the final LOLE study. In particular, the CAISO would need to establish a methodology for the Net Peak Resource Assessment, for which CalWEA has proposed the Effective Net Load Reduction (“ENLR”) Methodology.⁴ In addition, CAISO can use the monthly LOLE study results to inform the minimum level of dispatchable resources that is needed each month to ensure that all necessary resources, including charging resources, are present in LSEs’ portfolios. Finally, as CalWEA has strongly recommended and as the Energy Division study suggests, CAISO should strongly consider reforming its deliverability assessment methodology, which is completely incongruous with the Commission’s planned reforms.⁵

¹ See CalWEA’s Final Informal Comments in the Working Group Report at PDF-p. 175.

² CPUC Energy Division, “Energy Division Study for Proceeding R.21-10-002: Loss of Load Expectation and Effective Load Carrying Capability Results for 2024” (February 18, 2022).

³ Working Group Report at pp. 36-37.

⁴ Working Group Report at pp. 45-47.

⁵ See CalWEA’s Comments on Energy Division’s LOLE study at pp. 6-8 (March 22, 2022).

(2) In light of Energy Division’s loss of load expectation (LOLE) and Effective Load Carrying Capability (ELCC) study, has your party position (as documented in the Future of RA Working Group Report) changed? If yes, please explain why.

No, the LOLE study has not changed CalWEA’s position in support of Gridwell’s proposal. In fact, it has strengthened our position because the study has demonstrated that the Commission has the capability to determine monthly ELCC values of various resources based on stochastic LOLE modeling.

Respectfully submitted,

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On behalf of the California Wind Energy Association

March 24, 2022

VERIFICATION

I, Nancy Rader, am the Executive Director of the California Wind Energy Association. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of “Comments of The California Wind Energy Association on Future of Resource Adequacy Working Group Report” are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 24, 2022, at Berkeley, California.

/s/ Nancy Rader _____
Nancy Rader
Executive Director
California Wind Energy Association