

**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 23-10-011

**CALIFORNIA WIND ENERGY ASSOCIATION
TRACK 1 PROPOSAL
FOR THE RESOURCE ADEQUACY PROGRAM**

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

February 23, 2024

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FOR THE RESOURCE ADEQUACY PROGRAM**

Pursuant to the *Assigned Commissioner’s Scoping Memo and Ruling*, dated December 18, 2023 (“Scoping Memo”),¹ and in accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Wind Energy Association (“CalWEA”) hereby provides the following Track 1 proposal.

I. BACKGROUND

In its July 28, 2023, informal comments,² the Commission’s Public Advocates Office (“Cal Advocates”) described the considerable ambiguity in Decision (D.) 23-04-010 regarding exceedance levels for solar and wind resources. Cal Advocates noted that the then-current Master Resource Database (“MRD”) (MRD2) utilized new exceedance levels for solar and wind resources that were not informed by the extensive record from the Slice of Day Working Groups, were not explained, and had not been vetted by stakeholders.

¹ In response to CalWEA’s query to Energy Division staff, staff stated that additional proposals can be submitted as “revised” proposals.

² See Energy Division “Report on Resource Adequacy Slice of Day Implementation and Year Ahead Showings,” Appendix D, at PDF-page 104. (Available at this [link](#).)

The exceedance levels selected (apparently arbitrarily) by Energy Division were as follows. For all solar resources, the MRD2 used 70% exceedance levels for all months. For Northern California wind resources, the MRD2 used 65% exceedance levels for non-summer months and 80% for summer months. And, for Southern California wind resources, the MRD2 used 70% year-round.

In its August 10, 2023, comments, CalWEA expressed concern about these arbitrary exceedance levels,³ and Cal Advocates showed that the values discriminated by technology, region, and season.⁴ In response to these and other party comments, Energy Division developed “a clear, replicable method for choosing exceedance levels while prioritizing (weighting) higher-risk hours,” namely by implementing a mean-squared error approach to choosing an exceedance level for each season.⁵

In its December 22, 2023, informal comments,⁶ Cal Advocates generally supported the new exceedance approach, but continued to recommend that Energy Division Staff select exceedance numbers monthly, noting that “[m]oving to monthly exceedance values requires very little additional staff effort and will ensure that wind and solar resources receive full value for their expected reliability contributions via more precise counting estimates.”

II. PROPOSAL

In its February “Report on Resource Adequacy Slice of Day Implementation and Year Ahead Showings,” Energy Division summarized the informal comments noted above, and posed the question whether the Commission should revisit the topic of monthly, rather than seasonal, exceedance levels.⁷ CalWEA proposes that the Commission should indeed revisit this issue and should select exceedance levels on a monthly basis using the same mean-squared error approach used to calculate seasonal exceedance levels.⁸ As Cal Advocates previously noted, a monthly

³ *Id.* at Appendix C, PDF-p. 55.

⁴ *Id.* at Appendix C, PDF-p. 49.

⁵ Energy Division “February Report on Resource Adequacy Slice of Day Implementation and Year Ahead Showings” at PDF-p. 32. Available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M524/K929/524929806.PDF>.

⁶ *Supra* note 2 at Appendix B, PDF-p. 13.

⁷ *Supra* note 5 at PDF-p. 35.

⁸ CalWEA notes, however, that it would be simpler and preferable to use the monthly Top 5 Day performance profile *itself* to determine wind and solar qualifying capacity values, as CalWEA

approach is more precise. In addition, it avoids the subjective determination of seasons and conforms to the Commission's monthly RA requirements.

CalWEA further recommends that the monthly exceedance numbers be updated every five years to provide stability and predictability to LSEs and other market participants, provided that the values could be recalculated any time that a major change in circumstances (such as substantial technology advancements) may warrant that the values be recalculated.

CalWEA appreciates the opportunity to submit this proposal for consideration.

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Respectfully submitted,



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proposed in the Working Group process, and as Pacific Gas and Electric Company supported in its opening and reply comments on the *Proposed Decision on Phase 2 of the Resource Adequacy Reform Track*.