

**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 25-10-003

**CALIFORNIA WIND ENERGY ASSOCIATION
OPENING COMMENTS ON PROPOSED DECISION
ADOPTING LOCAL CAPACITY OBLIGATIONS FOR 2027-2029, FLEXIBLE
CAPACITY OBLIGATIONS FOR 2027, AND PROGRAM REFINEMENTS**

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I. INTRODUCTION AND SUMMARY

Pursuant to Rule 14.3 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure and Administrative Law Judge (ALJ) Chiv’s May 4, 2026, e-mail ruling, the California Wind Energy Association (CalWEA) respectfully provides these opening comments on ALJ Chiv’s June 1, 2026, Proposed Decision Adopting Local Capacity Obligations for 2027-2029, Flexible Capacity Obligations for 2027, and Program Refinements (“Proposed Decision” or “PD”).

In summary, CalWEA urges the Commission to:

- Correct the PD’s factually incorrect statement that there is “insufficient data to conclude that storage resources can charge from [Energy Only (“EO”)] capacity at this time,” to properly consider the Joint EO Parties’ proposal¹ that was carefully crafted to minimize the already-limited risk that EO resources will fail to charge storage resources, and allow EO resources to charge storage during off-peak hours if located within the same Transmission Planning Study Area. Should further CAISO

¹ Joint Parties’ Energy Only Resource Charging Sufficiency Proposal (January 23, 2026) (“Joint EO Parties”). The “Joint EO Parties” comprises the California Energy Storage Alliance, the Large-scale Solar Association, the Solar Energy Industries Association, and the California Wind Energy Association.

studies show that refinements to qualifying EO resources are in order, they can be made in subsequent RA proceedings as needed.

- Properly classify Imbalance Reserve products as reserve, rather than capacity, products. The distinguishing characteristic of a capacity product under the RA program is that it is committed to meet forecasted load. IR does not satisfy this characteristic.

II. COMMENTS ON ENERGY-ONLY RESOURCE CHARGING OF STORAGE

A. Summary

The Proposed Decision would decline to allow standalone EO resources to count toward charging-sufficiency requirements and would defer consideration to an undefined future phase of the proceeding until the results of a proposed CAISO study are available.² In so doing, the PD commits two factual errors. First, the PD does not specifically address the Joint EO Parties' proposal to constrain EO charging to off-peak hours and to require that EO charging and storage resources be located in the same Transmission Planning Study Area.³ Second, the PD ignores clear evidence that EO resources are broadly deliverable during off-peak hours and fails to acknowledge that no party provided evidence to the contrary. Thus, the PD fails to consider a low-risk strategy to bolster system reliability by ensuring that critical storage resources are fully charged and available to serve on-peak loads – a strategy that will also lower ratepayer costs and promote the timely achievement of the state's clean energy goals.

The Commission's adopted decision should instead allow EO resources to charge storage during off-peak hours on a provisional basis, provided the EO and storage resources are located in the same Transmission Planning Study Area. The decision should further provide that the Commission will consider any necessary program modifications in 2027 for the 2028 RA year, based on the results of (and stakeholder feedback on) CAISO's additional study of EO resources' ability to charge storage during off-peak hours, along with any related operational data that may become available.

² PD at pp. 34-35.

³ The PD likewise fails to consider the similarly tailored proposals of American Clean Power – California ("ACP – California) and Pacific Gas & Electric (PG&E).

B. The PD fails to consider proposals that would constrain EO charging to off-peak hours and constrain qualifying storage to resources located in the same Transmission Planning Study Area as the EO resource.

The Proposed Decision broadly dismisses EO charging proposals⁴ without specifically considering the Joint EO Parties' carefully crafted proposal that would limit EO charging to off-peak hours and require both EO and storage resources to be located in the same Transmission Planning Study Area.⁵ As discussed below, CAISO studies and a PG&E analysis provide clear evidence that EO resources are deliverable to storage during off-peak hours.⁶ CAISO's OPD status designations were not specific to NP-15 or SP-15, while PG&E's analysis supports EO charging of storage resources within those zones. The Joint EO Parties proposed an additional locational guardrail that would allow EO resources to charge storage only if located in the same Transmission Planning Study Area.⁷

C. The PD Ignores Clear Evidence that Energy-Only Resources are Deliverable During Off-Peak Hours

The PD concurs with parties that argue there is "insufficient data to conclude that storage resources can charge from EO capacity at this time," citing "multiple parties [that] highlight the deliverability risk and performance uncertainty of EO resources during off-peak hours."⁸ The PD fails to acknowledge both the evidence that EO resources are deliverable during off-peak hours and the fact that no party provided evidence to the contrary.

In its proposal and in opening comments, the Joint EO Parties addressed parties' concerns about the ability to deliver EO resources to storage resources during off-peak load hours when storage is typically charging, including CAISO's assertion that the ability of EO resources to provide charging energy to storage resources is "an untested assumption." The Joint EO parties cited CAISO's own assessments that have found nearly 12,000 MW of EO resources to be off-

⁴ PD at p. 34. ("[T]here is insufficient data to conclude that storage resources can charge from EO capacity at this time.")

⁵ Joint EO Parties' Opening Comments (March 6, 2006) at pp. 6-7.

⁶ As the Joint EO Parties explained in their March 21, 2026, Reply Comments at p. 5, "'Deliverable' means deliverable to all load centers; certainly, if this energy is deliverable to sometimes far-off load, it should be deliverable to storage closer in electrical distance to EO resources in NP-15, ZP-26, or SP-15."

⁷ Note 5 *supra* at p. 7.

⁸ PD at p. 34.

peak deliverable, as indicated in CAISO's Public Queue Report.⁹ Further, the Joint EO Parties explained that CAISO's off-peak deliverability estimates for the Commission's Integrated Resources Planning (IRP) process assume that EO resources are deliverable in off-peak hours to loads in all areas affected by the constraint (not necessarily the same study area).¹⁰ Finally, PG&E also provided evidence that most of the EO resource fleet has been available to serve load in all hours in PG&E North and PG&E South, subject to some curtailment, just as FCDS resources produce in all hours, with some curtailment.¹¹

In response, CAISO asserted that its off-peak deliverability (OPD) studies were "not for resource adequacy purposes," are no longer performed, and therefore do "not support the assertion that Energy Only capacity can reliably deliver energy to charge storage resources."¹² Regardless, these OPD studies did, in fact, determine that transmission congestion will not constrain delivery of EO resources during off-peak periods to all loads in all areas.¹³ CAISO also incorrectly asserted that, because its OPD studies did not identify upgrades to relieve area (as opposed to local) constraints, area constraints *could* still limit the studied resource's output, restricting the studied resource's output from serving CAISO system load.¹⁴ However, neither CAISO nor any other party provided evidence to support that possibility during off-peak hours, nor did they respond to the Joint EO Parties' logical point that, fundamentally, transmission lines are lightly loaded during off-peak periods.¹⁵ Of the 288 hours in the SOD RA framework, only 20 summer-peak hours can reasonably be classified as on-peak hours. In the other 93 percent of

⁹ Note 5 *supra* at p. 5.

¹⁰ Note 5 *supra*.

¹¹ Note 5 *supra* at p. 6 and PG&E's Track 1 Proposal, Slides 91 & 92 (February 11, 2026, Workshop on Track 1 Proposals in R. 25-10-003).

¹² CAISO Reply Comments (March 20, 2026) at pp. 4-5.

¹³ Note 5 *supra*.

¹⁴ Note 12 *supra* at p. 5. Emphasis added.

¹⁵ See March 6, 2026, opening and March 20, 2026, reply comments of Cal Advocates and Middle River Power (which do not specifically address proposals to allow storage charging during off-peak hours only and do not address CAISO's OPD studies); opening and reply comments of SCE (which seeks "physics-based" reliability studies but did not acknowledge or respond to the Joint EO Parties' cited evidence of the CAISO's OPD studies); and the opening comments of Vistra and Western Power Trading Forum (which do not address CAISO's OPD studies; no reply comments were filed).

slice-of-day hours, available resources will significantly exceed system load and, thus, deliverability is not a significant issue in off-peak hours.¹⁶

Finally, it is important to clarify that, unlike CAISO's on-peak deliverability study, the goal of off-peak deliverability should not be to determine whether some designated resources (e.g., RA resources) can deliver certain portion of their capacity (e.g., RA capacity) to all loads under certain load conditions (e.g., the HSN condition). For the off-peak deliverability analysis, the goal should be to verify whether available FCDS and EO resources could collectively meet off-peak system demand, plus demand from storage resources that are charging, under a generally lightly loaded transmission system. In this regard, it is critical to note that nearly all limited-energy FCDS resources (storage and reservoir-based hydro resources) and most fossil FCDS resources (e.g., gas plants) will not be supplying energy to meet the off-peak demand for well-known reasons, such as low marginal prices and the need to maintain their energy for peak load periods. This would leave the lightly loaded transmission system available for EO resources to deliver energy to load and charging storage resources. In summary, CAISO's off-peak deliverability study should mainly focus on determining whether any storage resources, due to their unique location, are unable to accept service during off-peak system conditions.

Regarding PG&E's findings, CAISO did not contest those findings or the Joint EO Parties' characterization of them.

D. Administrative Details Can Easily Be Addressed

The PD partially grounds its decision on EO charging resources in CAISO's concern that "the RA program has not established rules on which hours and locations EO capacity may be used to meet charging sufficiency requirements, and how to validate that EO capacity was contracted by LSEs."¹⁷ As discussed above, the Commission can limit charging hours to off-peak periods and require that EO charging and storage resources be located within the same Transmission Planning Study Area. As for validating that EO capacity has been contracted by LSEs, PG&E explained in detail how this can be handled easily through an affidavit process in which LSEs attest that they have contracted charging availability from specific EO resources and

¹⁶ Note 5 *supra* at pp. 5-6.

¹⁷ PD at p. 32.

that the contract requires the resource to bid into CAISO markets¹⁸. If more than one LSE submits such an attestation, or attempts to claim credit for the same charging capability in a given month, the same procedures already used for mismatches of other aspects (e.g., NQC) could be applied here. Such processes are used by CAISO in both the Interconnection Request submittal and TPD Allocation processes.¹⁹ There is no evidence that this method has been deficient.

E. The PD fails to properly weigh EO charging as a low-risk strategy to improve system reliability, reduce ratepayer costs, and promote timely achievement of the state's clean energy goals.

As discussed above, the Proposed Decision fails to acknowledge evidence and logical arguments that EO resources will be broadly deliverable to load, including storage resources. The Joint EO Parties' proposal therefore poses minimal, if any, reliability risks. Any limited exposure to increased risk would occur only during the 2027 RA-year, as CAISO's proposed study, with preliminary results expected by November 2026,²⁰ should identify any concerns. The Commission can make any appropriate modifications in 2027 for the following RA year.

Thus, the Proposed Decision fails to properly weigh a low-risk proposal against the substantial benefits that allowing EO storage charging would bring and the harm that would result should the Commission delay approval of EO charging. Approving EO charging would:

- **Increase the ability of load-serving entities to meet the Commission's unprecedented and challenging near-term resource requirements.** The Commission's 2026 resource plan requires 43.4 GW of new wind and solar resources to come online by 2031,²¹ and includes substantial EO capacity.²² EO resources are needed to help charge the 18 GW of new storage resources, also in the resource plan, particularly because they need not wait for transmission expansions.

¹⁸ PG&E Opening Comments (March 6, 2026) at Section II.

¹⁹ Note 5 *supra* at pp. 7-8; Joint EO Reply Comments (March 21, 2026) at pp. 11-12.

²⁰ CAISO Opening Comments (March 6, 2026) at p. 3. Board approval will occur when the TPP is adopted, presumably in May 2027.

²¹ See D. 26-02-057, approved February 26, 2026, at Table 6.

²² Joint EO Parties' workshop presentation, at Slide 83, showing 15 GW of EO resources needed by 2035. The Commission's IRP modeling correctly assumes that all EO resources can charge storage without significant constraints.

- **Provide the certainty needed now to advance EO projects in the CAISO queue.** Owners of the many resources that did not receive transmission planning deliverability (“TPD”) Allocations in the cycle just concluded are now considering whether to proceed with their projects, especially since new CAISO rules prohibit new allocation requests until projects come online (and most are unlikely to build on the chance that they might get an allocation at that late date). Allowing EO resources to charge storage will add project value that will support continued development of these resources. Preliminary results from the CAISO’s EO off-peak deliverability study will not be available until November 2026 to inform a 2027 Commission decision – too late for the Cluster 16 Application Window and related procurement decisions and too late for Cluster 14 and 15 projects that must make large, non-refundable deposits to remain in the queue. Thus, failure to approve EO charging now will cause irreversible losses in resource development.
- **Achieve the reliability, environmental, and affordability goals reflected in the Commission’s resource plan.** EO resources can be brought online relatively quickly because they generally do not require major transmission upgrades that are slow to materialize. EO resources save ratepayers considerable transmission upgrade costs as EO charging can reliably occur during off-peak periods, and foster a more robust and competitive market. Thus, allowing EO-resource charging will help maintain reliability, achieve the state’s greenhouse gas targets (GHG), and minimize ratepayer costs. Furthermore, allowing EO resources to charge storage may be the *only* near-term pathway to achieving the Commission’s reliability and GHG objectives given transmission delays associated with FCDS charging resources.

The Proposed Decision did not properly evaluate the evidence presented regarding the reliability risks of Joint EO Parties’ EO charging proposal, nor did it weigh the minimal reliability risks against these substantial and important benefits. The Commission must rectify these errors and authorize EO-resource charging in its final decision.

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III. COMMENTS ON RESIDUAL UNIT COMMITMENT AND IMBALANCE RESERVE PRODUCTS

The Proposed Decision concludes that Imbalance Reserve ("IR") products "are capacity products for purposes of the RA program,"²³ primarily on the basis that CAISO's tariff and filings at FERC reference IR as "setting aside capacity"²⁴ and that IR and Reliability Capacity ("RC") products are "used interchangeably."²⁵ This reasoning is flawed, and the Commission should revise the PD's findings accordingly.

The PD's analysis conflates different uses of physical capacity resources. Simply because IR draws upon a resource's capacity does not make it a capacity product any more than spinning reserves or regulation services are capacity products. The distinguishing characteristic of a capacity product under the RA program is that it is a committed obligation to be available and dispatchable to meet forecast load. IR does not satisfy this characteristic.

As the PD's own description of CAISO's tariff confirms, IR is co-optimized with energy and ancillary services within the Integrated Forward Market ("IFM").²⁶ The PD correctly finds that RC is the successor to Residual Unit Commitment ("RUC") capacity bids. The RUC process, however, follows the IFM and procures incremental or decremental RC to match day-ahead market outcomes to the forecasted load. IR, similar to spinning reserves or regulation services, is a separate product procured to address uncertainty between day-ahead and real-time, not to commit physical resources to meet the forecasted load. This is precisely how ancillary service products are defined and function. Spinning reserves, non-spinning reserves, and regulation reserve products are all procured to manage operational uncertainty and deviations. None are classified as RA capacity products despite also "setting aside capacity." Equally as important, none of those ancillary service products are mandated to be bid in at \$0 by RA-contracted resources, and the Commission does not dictate the revenue outcomes of these services between the buyers and sellers of RA.

The PD does acknowledge that CAISO itself characterizes IR as a "reserve product, not a capacity product." Rather than crediting this technical characterization from the entity that

²³ PD at p. 100.

²⁴ PD at p. 99.

²⁵ Finding of Fact 22.

²⁶ PD at p. 87.

designed and procures the product, the PD selectively extracts CAISO tariff language describing IR's purpose to reframe its classification. The Commission must modify the PD to correct these errors.

Finally, to address concerns that IR revenues may be costly to ratepayers,²⁷ CAISO has observed that, while initial testing, based on limited data, for the RC/IR market showed relatively high market-clearing prices, that market has now settled at reasonably low levels.²⁸

V. CONCLUSION

CalWEA respectfully requests that the Commission (1) adopt the Joint EO Parties' proposal to allow EO resources to charge storage resources during off-peak hours if located within the same transmission planning area, thereby supporting the state's reliability, environmental, and affordability goals, and (2) properly classify Imbalance Reserve products as reserve products.

Respectfully submitted,



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***On behalf of the California Wind Energy
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²⁷ PD at pp. 91-92.

²⁸ See CAISO, "Western Energy Market Observations" (June 1, 2026). Available at: [energy-market-observations-report-jun-01-2026.pdf](#). ("Overall, imbalance reserve prices have been moderate. Prices are usually low, with predictable increases in the morning and evening ramps.")