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Sent: 9/16/2010 8:09:51 AM  
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Bcc:

Subject: RE: [FWD: Working Group formerly known as DFEEQP 9/15/10]

Hi all,

I think this line of inquiry can be best clarified through the R.10-05-006 OIR, and the proposed Staff Planning Standards, of which the Energy Division held a series of workshops in June 2010. The Scoping Memo for the proceeding is forthcoming.

R.10-05-006 OIR: [http://docs.cpuc.ca.gov/word\\_pdf/FINAL\\_DECISION/117903.pdf](http://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/117903.pdf)

ALJ Ruling on Planning Standards Part 1: <http://docs.cpuc.ca.gov/efile/RULINGS/118671.pdf>

Planning Standards Part 1: <http://docs.cpuc.ca.gov/efile/RULINGS/118672.pdf>

2009 ED Straw Proposal on LTPP Planning Standards:  
<http://docs.cpuc.ca.gov/published/Graphics/103215.PDF>

Deliverability risk assessment was proposed in the July 1, 2009 ED Straw Proposal on LTPP Planning Standards, and while that document, comments from parties, and the 2008 LTPP as a whole serve to guide the 2010 LTPP, they are different endeavors and the thinking has evolved somewhat over the last 1-2 years. Indeed, at Table 11 (page 107) of the Straw Proposal, the Deliverability Risk Assessment for EE was recommended to be the lesser of either A) 100% TMG goal, or B) 2009 IEPR forecasts of committed and uncommitted EE.

I believe that the “deliverability risk assessment” as envisioned by ED Staff in the Straw Proposal is somewhat different than the “deliverability risk assessment” in as Bill raises in his last email. The “deliverability risk assessment” is more as Ross states it – an examination of uncommitted resources actually occurring, be they EE or new generation.

Best,

Nat

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**From:** Knox, William@ARB [mailto:wknox@arb.ca.gov]  
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**To:** Ross Miller; Edward Vine  
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**Subject:** RE: [FWD: Working Group formerly known as DFEEQP 9/15/10]

Thanks – I understand all preferred resources undergo this “Deliverability risk assessment” – does that mean none of the fossil resources have “deliverability risk assessment” per se? I would assume that there are other ways of considering fossil risk of not being there on a peak day or peak time, like Loss of \_\_\_ probability.. I can’t quite recall the acronym or the mechanisms....

**From:** Ross Miller [mailto:Rmiller@energy.state.ca.us]  
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**Subject:** RE: [FWD: Working Group formerly known as DFEEQP 9/15/10]

Bill,

Yes, all preferred resources--both supply & demand-side (and transmission, too, for that matter)-- would be subjected to the "deliverability risk assessment." For example, you wouldn't just assume the CSI program goals are met (rooftop PV is a preferred customer-side supply resource) when calculating the amount of procurement permission you would grant the utility, you'd do an analysis which would result in a prudent amount to assume for this purpose.

Ross

>>> On 9/15/2010 at 3:47 PM, in message  
<730450480DDFFB42A80EE000074F3E30055E1A8391@MDTSSWECCF  
"Knox, William@ARB" <wknox@arb.ca.gov> wrote:

Ross, thanks for the clarification on deliverability risk. I guess there is also some deliverability risk with supply side resources, and it is clear there is with some committed demand side resources.

Anyone -- Does LTPP included deliverability risk analysis for supply side resources that have nto secured funding, and for committed and uncommitted demand side resources?

-Bill

*Climate change is real. For a better future for ourselves and the next generations, every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy cost, see our web site at <http://www.arb.ca.gov>*

**From:** Ross Miller [mailto:Rmiller@energy.state.ca.us]  
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**Subject:** Re: [FWD: Working Group formerly known as DFEEQP 9/15/10]

In perhaps too simplistic terms, the AB 57-directed "procurement decision" purpose I referred to first involves assessing the performance of existing resources (including nukes and fossil) in the portfolio and comparing that to potential demand and reserve requirements under certain conditions. If there's a gap between the two, then there's a need to add something to the portfolio. But, before granting pre-authorization to solicit resources to fill that level of need, we first check if there are "policy preferred" uncommitted resources we, to some degree, expect to occur. The aggregate amount of preferred resources we expect to occur would be subtracted from the gap and only the remainder would be authorized for procurement. I understand the ED's "deliverability risk assessment" to apply to any and all estimates of uncommitted resources that would have the effect of lowering the authorized procurement level. The function of the deliverability risk, as I see it, is to establish the degree to which we want to count on the uncommitted resources actually occurring, given the potential consequences of using a "wrong" number in the equation that serves this regulatory purpose. In a sense, although we have set goals, we nevertheless want to closely examine the risks of the goals not being met (or being exceeded) before we select an assumption about that option for use in this equation. That examination includes an estimate of the consequences that could occur of the number that actually occurs being different from what we assumed would occur. Personally, I would apply the concept to any uncertain key driver that has potentially large consequences.

Ross

>>> On 9/15/2010 at 12:19 PM, in message <8C2D2523-5B18-493D-9807-A29CB2748EB4@uc-ciee.org>, Edward Vine <edward.vine@uc-ciee.org> wrote:

Interesting question. I believe I understand the intent. Is there a "deliverability risk assessment" for generation sources (e.g., nuclear or natural gas turbines)?

Ed

On Sep 15, 2010, at 12:12 PM, Ross Miller wrote:

Would the sub-group's scope also include what the Energy Division's straw proposal called a "deliverability risk assessment" of EE for the purposes of procurement or other related decisions?

I understand such an assessment would necessarily be different from, but could be informed by, measurement & evaluation activities.

Ross

>>> On 9/14/2010 at 12:41 PM, in message <20100914124124.aa4f8c6e19a4fcfabb6405eeba6aa4a8.51d39df4c0.wbe@uc-ciee.org>, Chris Ann Dickerson <[cadickerson@cadconsulting.biz](mailto:cadickerson@cadconsulting.biz)> wrote:

Hi WG,

A few of you have mentioned interest in the CPUC EE Goals topic during our 1pm timeslot. To clarify, CPUC will not be providing any major announcement on this topic during our meeting. What we will be doing, however, is establishing Committee interest for a sub-group that will engage in discussions about understanding EE goals and potential in the context of TMG, and implications for/from demand forecasting.

Thank you.

C.

### **Working Group Formerly Known as DFEEQP**

**Date:** Wednesday, September 15, 2010

**Time:** 10am-3pm PDT

**Place:** California Energy Commission, 1516 Ninth St, Sacramento, 2nd Floor  
Conference Room

**Dial in:** 866-740-1260

**Code:** 5859653

Please see attached agenda and information on the proposed new Committee structure.

Review the attached materials as we will be discussing and prioritizing topics for the next cycle. And voting on the new name.

Thank you.

C.

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