

From: Ross Miller  
Sent: 9/15/2010 4:00:58 PM  
To: Edward Vine (edward.vine@uc-ciee.org); William@ARB Knox (wknox@arb.ca.gov)  
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Bcc:

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@MDTSSWECCR15.rf01.itservices.c  
"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 not 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]

**Sent:** Wednesday, September 15, 2010 1:03 PM

**To:** Edward Vine

**Cc:** Knox, William@ARB; CLinvill@aspenerg.com; Chris Ann Dickerson; mwu@caiso.com; remmert@caiso.com; nzettel@ci.redding.ca.us; craigtlyer@comcast.net; aram.shumavon@cpuc.ca.gov; cbe@cpuc.ca.gov; cf1@cpuc.ca.gov; cln@cpuc.ca.gov; cxc@cpuc.ca.gov; jnc@cpuc.ca.gov; jst@cpuc.ca.gov; kmb@cpuc.ca.gov; krd@cpuc.ca.gov; mjh@cpuc.ca.gov; mwt@cpuc.ca.gov; nlr@cpuc.ca.gov; nws@cpuc.ca.gov; pcf@cpuc.ca.gov; ppl@cpuc.ca.gov; seb@cpuc.ca.gov; ys2@cpuc.ca.gov; zap@cpuc.ca.gov; ztc@cpuc.ca.gov; jeff.hirsch@doe2.com; ahsfor@eapx02.lbl.gov;

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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@chrisann.com>, 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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510-562-1034

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