

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

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

Rulemaking 11-10-023

**COMMENTS ON ORDER INSTITUTING RULEMAKING OF  
THE COGENERATION ASSOCIATION OF CALIFORNIA**

Michael Alcantar  
Tim Lindl  
Alcantar & Kahl LLP  
33 New Montgomery Street  
Suite 1850  
San Francisco, CA 94105  
415.421.4143 phone  
415.989.1263 fax  
[mpa@a-klaw.com](mailto:mpa@a-klaw.com)  
[tjl@a-klaw.com](mailto:tjl@a-klaw.com)

Counsel to the  
Cogeneration Association of California

November 7, 2011

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The Cogeneration Association of California<sup>1</sup> (CAC) submits these comments pursuant to the Commission's Order Instituting Rulemaking 11-10-023 (OIR) issued October 27, 2011. CAC's interest in this proceeding is related to its petition for modification (PFM), included in the scope of the OIR.

Prompt adoption of CAC's PFM in Phase 1 of this proceeding will prevent the over-procurement of Resource Adequacy (RA) capacity for compliance year 2013 by more fairly and accurately accounting for contracted combined heat and power (CHP) resources. The PFM demonstrates how the inclusion of weekends and holidays in the historical calculation of net qualifying capacity (NQC) undervalues deliveries from these important facilities. The sooner the PFM is adopted, the sooner this undervaluation and resulting over-procurement will cease.

Phase 1 consideration of the PFM will also increase the likelihood of success of the soon-to-be-effective qualifying facility/combined heat and power (QF/CHP)


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<sup>1</sup> CAC represents the power generation, power marketing and cogeneration operation interests of the following entities: Coalinga Cogeneration Company, Kern River Cogeneration Company, Mid-Set Cogeneration Company, Sycamore Cogeneration Company, Sargent Canyon Cogeneration Company, Salinas River Cogeneration Company, Midway Sunset Cogeneration Company and Watson Cogeneration Company.

settlement.<sup>2</sup> The QF/CHP settlement effective date is anticipated to be November 23, 2011, and the utilities will begin RFO processes to procure new resources soon thereafter. It is important that CHP capacity entering the RFOs is properly credited to allow for more accurate bids, which bring value to ratepayers and generators alike.

The Commission should consider CAC's PFM in Phase 1 of this proceeding to prevent the over-procurement of RA resources for 2013 and to increase the likelihood of success of the QF/CHP settlement.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Michael Alcantar', with a stylized flourish at the end.

Michael Alcantar  
Tim Lindl

Counsel to the  
Cogeneration Association of California

November 7, 2011

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<sup>2</sup> The QF/CHP Settlement was initially approved in D.10-12-035, modified in D.11-07-010, and granted its current effective date in D.11-10-016. It is a momentous settlement that resolves numerous issues and years of conflict between parties.