

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

Order Instituting Rulemaking to Oversee	)	
the Resource Adequacy Program, Consider	)	
Program Refinements, and Establish	)	Rulemaking 11-10-023
Annual Local Procurement Obligations.	)	

**COMMENTS OF THE  
COGENERATION ASSOCIATION OF CALIFORNIA**

Pursuant to the Administrative Law Judge’s ruling of March 30, 2012, granting an extension, the Cogeneration Association of California (CAC)<sup>1</sup> hereby comments on the accumulated evidence and argument in this proceeding. Specifically, CAC provides comment on the issue of determining the Net Qualifying Capacity for non-dispatchable resources, as raised by the CAC Petition for Modification of Decision 10-06-036, filed in R.09-10-032. The Petition for Modification sought to clarify the definition of system peak demand to exclude weekends and holidays from the hours used to calculate the qualifying capacity of combined heat and power (CHP) resources.

This clarification is justified by several arguments. First, the adequacy of each Load Serving Entity’s (LSE) resource adequacy (RA) showing is based on its coincident peak demand. See, CAISO Tariff, §40.2, and CAISO Business Practice Manual (BPM) on Reliability Requirements, §§3.2.1 – 3.2.3, and §4.1.1. The capability of a resource to contribute to that RA requirement should also be measured by its availability at the

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

system peak. All of the investor-owned utilities (IOUs) define their system peak hours for rate purposes as occurring during weekday hours.<sup>2</sup>

Second, the California Independent System Operator (CAISO) determines availability for resource adequacy purposes based only on deliveries during weekdays – it excludes weekends and holidays. In Section 40.9.3 of the CAISO Tariff, Availability Assessment Hours used to determine availability will be: “*The Availability Assessment Hours shall be comprised of five consecutive hours of each non-weekend, non-federal holiday day.*” In the CAISO’s BPM for Reliability Operations at §8.3, the CAISO specifies the data to be used in determining availability for resource adequacy.<sup>3</sup>

### **8.3 Availability Assessment Hours**

*CAISO Tariff Section 40.9.3*

*The five Availability Assessment Hours starting in Resource Adequacy Compliance Year 2010 are listed below.*

#### **Availability Assessment Hours starting in Compliance Year 2010**

<i>Month</i>	<i>Hour Ending</i>	<i>Exclusions</i>
<i>January – March</i>	<i>HE 17 - 21</i>	<i>Saturday, Sunday</i>
<i>November – December</i>		<i>and federal holidays</i>
<i>April – October</i>	<i>HE 14 - 18</i>	

*The CAISO will monitor to determine if the peak load for each month falls within the five-hour range for subsequent Resource Adequacy Compliance Years.*

In both cases, the CAISO determines availability based on peak hours during weekdays, excluding any weekend hours. The same should be true for CHP resources.

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<sup>2</sup> See, e.g., SCE Schedule TOU-D-1, <http://www.sce.com/NRsc3/tm2/pdf/ce84-12.pdf> , and PG&E E-20 schedule: <http://www.pge.com/notes/rates/tariffs/electric.shtml#INDUSTRIAL> .

<sup>3</sup> <https://bpm.caiso.com/bpm/bpm/version/000000000000155> .

Although the CAISO stated during one of the workshops that a system peak can occur during a weekend, the CAISO apparently regards that as a very remote contingency because it has not changed its availability determinations, as described above.

The purpose for the resource adequacy program is to ensure that LSEs will procure sufficient resources to meet their peak demand. The ability of a resource to contribute to meeting that demand should be measured in the same way, based on its availability at the system peak. The decision in R.09-10-032 should be clarified to specify that the Net Qualifying Capacity of a CHP resource will be determined by its deliveries during system peak hours limited to weekdays and excluding weekends and holidays.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donald Brookhyser". The signature is written in dark ink on a light-colored background.

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