

BEFORE THE PUBLIC UTILITIES COMMISSION OF  
THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate  
And Refine Procurement Policies and Consider Long  
Term Procurement Plans

Rulemaking 12-03-014  
(Filed March 22, 2012)

REPLY COMMENTS OF THE UTILITY REFORM NETWORK  
REGARDING POST-WORKSHOP QUESTIONS

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**REPLY COMMENTS OF THE UTILITY REFORM NETWORK**  
**REGARDING POST-WORKSHOP QUESTIONS**

Pursuant to the September 14<sup>th</sup> Administrative Law Judge Ruling, The Utility Reform Network (TURN) provides reply comments regarding questions from the September 7<sup>th</sup> workshop on long-term procurement planning and energy storage issues. TURN responds to the comments filed by Southern California Edison (SCE).

In its comments, SCE states that any procurement of resources required to meet Local Capacity Requirements (LCR) in its service territory should also meet some sort of “operational flexibility constraint”.<sup>1</sup> SCE makes other statements in its comments that assume some type of operational flexibility must be provided to meet LCR in its service territory.<sup>2</sup>

As TURN noted in its Reply Brief, although operational flexibility is helpful, no need has been established for such flexibility and the determination of LCRs has not considered operational flexibility in the past. As a result, there is no flexibility requirement now imposed on LCR procurement.<sup>3</sup> There are thus multiple reasons it is not appropriate at this time for the Commission to require that resources procured to meet local needs in SCE’s service territory offer specific flexibility attributes.

In addition, SCE’s alternative proposal to issue a Request for Offers (RFO) to meet local capacity needs includes a step in which the “CAISO establishes LCR operational

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<sup>1</sup> SCE’s October 9 Comments, p. 13. SCE notes in footnote 11 that parties disagree about whether the flexible attributes it lists should be required in resources meeting local capacity needs.

<sup>2</sup> *Id.*, pp. 17 and 19.

<sup>3</sup> TURN Reply Brief, October 12, pp. 4-6.

needs”<sup>4</sup> This language suggests that SCE would acquiesce to whatever recommendations the CAISO makes on these matters, and that such recommendations may not surface publicly until SCE files its proposed contracts with the Commission, possibly several months later. TURN thinks this step, depending on how it is actually implemented, poses serious concerns for the Commission’s process for defining, quantifying and satisfying such flexibility needs.<sup>5</sup>

TURN appreciates the opportunity to provide these reply comments.

Respectfully submitted,

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<sup>4</sup> *Id.*, Figure 2 (p. 8), emphasis original. It is possible SCE anticipates the same analysis would occur in its preferred “flexible approach”, in which it would perform technical studies with the CAISO to see if its proposed portfolio meets LCR needs. (See Figure 1 on p. 7).

<sup>5</sup> *Id.* TURN would not be opposed to the reflection of operational flexibility needs that are developed in R.11-10-023, as suggested at page 9 of SCE’s comments, assuming such needs are actually developed and validated in a Commission proceeding.