

**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
(Filed October 20, 2011)

**REPLY COMMENTS OF THE MARIN ENERGY AUTHORITY
ON JANUARY 23, 2013 AND MARCH 20, 2013 WORKSHOPS
AND REVISED ENERGY DIVISION PROPOSAL
REGARDING FLEXIBLE CAPACITY REQUIREMENTS**

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April 15, 2013

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I. INTRODUCTION

In accordance with the instructions set forth in the *Administrative Law Judge's Ruling Resetting Schedule for Comments on Phase 2 Resource Adequacy Issues and Scheduling a Prehearing Conference* ("Ruling") dated March 11, 2013, the Marin Energy Authority ("MEA") submit these reply comments regarding parties' comments on the potential need for Flexible Capacity Requirements ("FCR") as presented by the California Independent Systems Operator ("CAISO"), Energy Division ("ED") staff, and other concerned parties during the January 23, 2013 and March 20, 2013 workshops ("Workshops"). MEA continues to believe that the alleged need for FCR starting with the Commission's 2014 Resource Adequacy ("RA") program cycle is at the least premature and more likely unnecessary. MEA is not alone in this view. Out of the twenty-six parties to file comments, only four parties explicitly support adopting FCR for 2014 as presented in either of the se proposals: CAISO, Pacific Gas & Electric ("PG&E"), Southern California Edison ("SCE"), and San Diego Gas & Electric ("SDG&E") .¹ The vast majority of participant parties in this proceeding have substantial concerns with adopting FCR in t he 2014 Resource Adequacy ("RA") program cycle.

¹ MEA would also like to point out that three of these four parties coauthored the Joint Party proposal for FCR submitted initially in October 2012: SCE, SDG&E, and CAISO.

II. MEA AGREES WITH NUMEROUS PARTIES THAT BOTH FCR PROPOSALS ARE LACKING AND SHOULD NOT BE ADOPTED FOR THE 2014 RA PROGRAM CYCLE

MEA agrees with the vast majority of parties engaged in this proceeding. There is no need to modify the RA program to include FCR for 2014. MEA shares numerous other parties concerns regarding lack of detail within either FCR proposal. These concerned parties include : The Utility Reform Network (“TURN”), Division of Ratepayer Advocates (“DRA”), Sierra Club, California Large Energy Consumers Association (“CLECA”), the City and County of San Francisco (“CCSF”), Vote Solar, Shell Energy, EnerNOC, Inc. (“EnerNOC”), the Center for Energy Efficiency and Renewable Technologies (“CEERT”), and Ormat Technologies, Inc. (“Ormat”). These parties have highlighted in their comments a wide range of details left unaddressed by either FCR proposal. These areas include: (i) the impact of FCR on the State’s Greenhouse Gas Reduction Goals, (ii) the manner in which FCR would account for the Commission’s Loading Order, (iii) the manner in which FCR related costs will be incurred upon Load-Serving Entities (“LSEs”) and electricity generators, (iv) the manner in which energy storage, demand response, energy efficiency, and other technologies would curb the need for FCR, (v) the timing of implementation, (vi) the handling of LSE non-compliance, and (vii) the adverse impacts on LSEs’ current RA procurement for 2014. Neither the Joint Parties’, nor ED’s proposal adequately addresses these matters of concern. Due to the lack of information in the record on these important matters, MEA believes if the Commission were to adopt FCR for the 2014 RA program cycle, it would be premature and in error. Thus, MEA opposes the partial or total adoption of either FCR proposal for 2014.

III. Conclusion

MEA thanks Assigned Commissioner Ferron and Assigned Administrative Law Judge Gamson for the opportunity to provide these reply comments regarding the possibility of implementing Flexible Capacity Requirements for the 2014 RA program cycle.

Respectfully submitted,

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