

**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.	R. 11-10-023
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**REPLY COMMENTS
OF
NOBLE AMERICAS ENERGY SOLUTIONS LLC**

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June 24, 2013

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In conformance with Rule 14.3 of the Commission’s Rules of Practice and Procedure, Noble Americas Energy Solutions LLC (“Noble Solutions”) hereby submits its Reply Comments on the *Proposed Decision of ALJ Gamson*, (“PD”), issued May 28, 2013.

Noble Solutions focused its Opening Comments on urging the Commission to apply its flexible capacity rules to the existing Resource Adequacy program and protocols, and to require the reporting of flexible capacity resources only up to the amount of flexible capacity resources that an LSE is obliged to acquire. This approach was echoed by

recommendations put forth by several commenters, including SCE and SDG&E.¹

While the comments of Noble Solutions and other LSEs focused on the practical implications of launching the flexible capacity program on an informational basis for 2014, other commenters looked forward to 2015 and beyond and urged the Commission to examine the issues that the flexible capacity program is designed to address from a broader perspective. For example, Clean Coalition² argued that a much broader portfolio of resources than the flexible capacity program contemplates (including imports, demand response and energy storage) can be brought to bear on the “net load” curve, significantly reducing the need for the ramping capabilities that flexible capacity resources are designed to provide. The Concentrating Solar Power Alliance argued³ that flexible capacity allocations to LSEs should be based on cost-causation principles, an idea that Noble Solutions strongly endorses, and carrying with it the implication that the Commission must do much

¹ See Southern California Edison Company's (U 338-E) Comments On Proposed Decision Adopting Local Procurement Obligations For 2014, A Flexible Capacity Framework, And Further Refining The Resource Adequacy Program, dated June 17, 2013 and Opening Comments of San Diego Gas & Electric Company (U-902-E) on the Proposed Decision of Administrative Law Judge Gamson Adopting Local Procurement Obligations For 2014, A Flexible Capacity Framework, and Further Refining the Resource Adequacy Program, dated June 17, 2013.

² See Clean Coalition's Opening Comments On Proposed Decision Adopting Local Procurement Obligations For 2014, A Flexible Capacity Framework, And Further Refining The Resource Adequacy Program, dated June 17, 2013.

³ See Comments of The Concentrating Solar Power Alliance On The Proposed Decision Adopting Local Procurement Obligations For 2014, A Flexible Capacity Framework, And Further Refining The Resource Adequacy Program.

more work before the flexible capacity program is made binding on LSEs. TURN⁴ emphasizes this latter point by arguing that the record in this proceeding is inadequate to make a flexibility capacity requirement permanent and mandatory in 2015, and much more work is needed before a mandatory program is adopted.

Of course, the PD acknowledges that more work is required before the flexible capacity program becomes mandatory.⁵ The Commission should reiterate that the development of a flexible capacity program remains a work in progress, and take steps to assure that adequate time and resources are devoted to completing the flexible capacity program design through the balance of 2013 and into 2014.

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Respectfully submitted,

/s/

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⁴ *Comments Of The Utility Reform Network On The Proposed Decision Adopting A Flexible Capacity Framework*, dated June 17, 2013.

⁵ See Conclusion of Law 16: “The Commission should use the time between now and June 2014 to refine a flexible capacity framework for mandatory implementation in RA year 2015.”