

**California Public Utilities Commission**  
**Energy Division**

Clean Coalition and DECA Comments on  
Resource Adequacy Staff Proposal

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Tam Hunt, J.D.

Attorney and Policy Advisor, Clean Coalition

Kenneth Sahm White

Director, Economic and Policy Analysis, Clean Coalition

Aram Shumavon

Distributed Energy Consumer Advocates



I. Discussion

a. Probabilistic vs. deterministic methodology

The Clean Coalition and DECA (CC/DECA) recommend developing the proposed probabilistic methodology in parallel with, rather than in place of, the traditional deterministic methodology. We find the new approach has many advantages over the traditional approach, but we are also cautious about its impact on the renewables market due to an over-emphasis on flexible capacity and the potential for under-estimating the ability of preferred resources to provide flexible capacity. There are real world risks that the Commission may harm the development of preferred resources by implementing a probabilistic methodology without first studying the effects of what we fear is a programmatic bias that undervalues the ability of preferred resources to mitigate forecasted ramp needs. Proceeding with parallel development at this stage will allow the results of the two approaches to be compared to help determine the impact of modeling changes and new assumptions as wholesale markets develop and the resource mix changes significantly over the next few years.

b. The Commission should work with CAISO to develop a local deliverability status process

We urge the Commission to also work with CAISO in creating a local deliverability study process for areas with local capacity requirements. As is, local capacity RFOs are requiring full deliverability even though the energy is needed in a specific area rather than elsewhere on the grid. The current requirements allow bottlenecks outside of the local capacity area to prevent affordable deliverability status from being achieved for projects seeking to bid



Commission staff indicated that deliverability issues are out of scope at this point in this proceeding. However, we urge the Commission to at least initiate discussions with CAISO on this important issue due to the increased importance of local reliability capacity in recent years.

c. "Ramp mitigation" should be used instead of "flexibility"

We also recommend that the Commission use the term "ramp mitigation" rather than "flexibility." This is the case because "flexible capacity," as it appears to be likely to be implemented, does not reflect the underlying probabilistic valuation being considered for other capacity because of the bundled must offer obligation (MOO) obligation and the limitations on the aggregation of sub-three hour ramps. While there appears to be willingness by staff to re-consider this issue, the proposal, if implemented in its current state, would fail to accomplish this goal and may prove significantly harmful to non-combustion resources.

d. How should historical performance data be used for QC and EFC?

The staff proposal requests party comments on the extent to which historical performance data should be required for calculating QC and EFC. CC/DECA feel that where historical data is available, data for the previous three years should be required. However, where such data is not available (for new projects, for example), QC and EFC should be calculated based on an average of the three-year historical data for facilities using the same technology, with the projected capacity factor of the new project also accounted for. With respect to DR, however, we recommend that the Commission explore statistical analyses of similar programs in other regions where there is no similar CA program, e.g. use PJM DR programs to determine QC and EFC for new ISO DR products. For new



