

**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 R.11-10-023
(Filed October 20, 2011)

**OPENING COMMENTS OF THE UNION OF CONCERNED SCIENTISTS ON
THE DRAFT STAFF PROPOSAL FOR QUALIFYING CAPACITY AND
EFFECTIVE FLEXIBLE CAPACITY CALCULATION METHODOLOGIES FOR
ENERGY STORAGE AND SUPPLY-SIDE DEMAND RESPONSE RESOURCES**

Mike Jacobs
UNION OF CONCERNED SCIENTISTS
2 Brattle Square
Cambridge, MA 02138
(617) 301-8057
mjacobs@ucsusa.org

Laura Wisland
UNION OF CONCERNED SCIENTISTS
2397 Shattuck Avenue, Suite 203
Berkeley, CA 94704
(510) 843-1872
lwisland@ucsusa.org

Dated: October 22, 2013

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EFFECTIVE FLEXIBLE CAPACITY CALCULATION METHODOLOGIES FOR
ENERGY STORAGE AND SUPPLY-SIDE DEMAND RESPONSE RESOURCES**

In compliance with the Energy Division's ("ED") *Notice Requesting Comments on the Draft Staff Proposal for Qualifying Capacity and Effective Flexible Capacity Calculation Methodologies for Energy Storage and Supply-Side Demand Response Resources* ("preliminary staff proposal"), the Union of Concerned Scientists ("UCS") respectfully submits these initial comments.

The preliminary staff proposal contains threshold concepts that guide the Commission's efforts to develop Qualifying Capacity (QC) and Effective Flexible Capacity (EFC) methodologies for energy storage and supply-side demand response resources. UCS attended the Resource Adequacy workshop on October 15, 2013 by telephone and responds to comments that came up during that workshop that relate to the threshold concepts contained in preliminary staff proposal.

A probabilistic analysis of grid flexibility needs and capabilities is an appropriate way to measure and plan for future flexibility requirements.

At the October 15, 2012 workshop, a few parties voiced concerns that the state should not adopt an EFC approach because this ELCC-style, probabilistic analysis of needs and capabilities for energy storage and demand response has not been used in many places in the country and that California is not "ready" to adopt such a framework.

While the Commission should proceed carefully with exploring new and innovative modeling techniques, UCS believes that the use of probabilistic analysis can appropriately

recognize the dynamic flexibility needs of the future electricity grid. However, the Commission should take caution to balance a constant reevaluation of needs and capabilities of existing and new resources with transparency and predictability. The risk that a resource will have a reduced EFC once qualified should be limited to the measured performance of that resource, and not a routine reassessment of system-wide performance. Providing stable and transparent EFC values for resources enhances the procurement of cost-effective and appropriate resources to meet the needs of the California electricity grid.

UCS thanks the Commission for the opportunity to provide these initial comments.

Sincerely,

/s/

Mike Jacobs
UNION OF CONCERNED SCIENTISTS
2 Brattle Square
Cambridge, MA 02138
(617) 301-8057
mjacobs@ucsusa.org

/s/

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