### BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Consider Electric Procurement Policy Refinements pursuant to the Joint Reliability Plan.

Rulemaking 14-02-001 (Filed February 5, 2014)

## REPLY COMMENTS OF THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES ON PRELIMINARY SCOPING MEMO

February 27, 2014

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Reply Comments on the Opening Comments on the issues identified in the "Preliminary Scoping Memo" included in Rulemaking (R.) 14-02-001 (Joint Reliability Plan). These Reply Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure and Ordering Paragraph 7 of R.14-02-001.

# I. INTRODUCTION

The Center for Energy Efficiency and Renewable Technologies (CEERT), a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California, is a partnership of major environmental groups and private-sector clean energy companies. CEERT has long been an advocate before this Commission on energy procurement and planning issues, focusing in particular on policies that promote global warming solutions and increased reliance on energy efficiency, demand response, and clean, renewable resources to meet energy needs in California.

CEERT welcomes this Commission's new inquiry, coordinated with the California Independent System Operator (CAISO), to consider policy proposals to address the reliability framework for electricity procurement. CEERT looks forward to active participation on the issues initially identified as being within the scope of this rulemaking and offers its reply below to the Opening Comments of other parties on that preliminary scope.

#### II. CEERT AGREES WITH THOSE PARTIES THAT RECOMMEND EVIDENTIARY HEARINGS IN TRACK 1 OF THIS PROCEEDING.

By R.14-02-001, the Commission identifies three tracks to consider issues it has preliminarily identified as being within the scope of this proceeding. Of critical importance are the issues included in Track 1, in which the Commission plans to "consider expanding the Commission's current resource adequacy [RA] program by adopting procurement requirements for LSEs [load-serving entities] to demonstrate that they have acquired (through ownership or contract) resources to meet a certain percentage of forecasted system, local, and/or flexible capacity needs two- and three-years prior to the resource adequacy compliance delivery year."<sup>1</sup>

Several parties in their Opening Comments stress the need to address these new concepts in a coordinated, open, and transparent way. In particular, the Office of Ratepayer Advocates (ORA) correctly points out the need for increased transparency in resolving the Track 1 "datadriven issues identified in the JRP OIR preliminary scoping memo that are likely to involve disputed issues of material fact and may require evidentiary hearings to provide a meaningful forum to vet different parties' assumptions, data, and analysis."<sup>2</sup> Similarly, The Utility Reform Network (TURN) asks that the "Commission recognize that hearings may be required to assess factual issues."<sup>3</sup>

Given the complexity of, and divergent views on, the Track 1 issues and the need to, e.g., "reconcile the requirements of a multi-year flexibility showing for RA with the current interim nature of the one-year flexible RA requirements," CEERT shares the caution expressed by other

<sup>&</sup>lt;sup>1</sup> R.14-02-001, at p. 8.

<sup>&</sup>lt;sup>2</sup> ORA Opening Comments, at p.7.

<sup>&</sup>lt;sup>3</sup> TURN Opening Comments, at p. 2.

parties in how the Commission moves forward to resolve these issues.<sup>4</sup> A strong record to support outcomes reached by the Commission on the Track 1 issues and policies is clearly warranted and will require evidentiary hearings. CEERT, therefore, looks forward to the Commission adopting a schedule that will allow for critical record-building on these issues.

Respectfully submitted,

February 27, 2014

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<sup>&</sup>lt;sup>4</sup> Pacific Gas and Electric Company (PG&E) Opening Comments, at p. 3; see also, CAISO Opening Comments, at p. 2; NRG Energy Opening Comments, at p. 2; San Diego Gas and Electric Company (SDG&E) Opening Comments, at pp. 2-3; The Utility Reform Network (TURN) Opening Comments, at p. 2.