

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

**CLARIFICATION COMMENTS OF
THE COGENERATION ASSOCIATION OF CALIFORNIA**

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March 14, 2014

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I. INTRODUCTION

The Cogeneration Association of California (CAC) provides these comments to clarify its opening comments filed on February 24, 20 on the *Staff Proposal regarding Implementation of the Flexible Capacity Procurement Framework*. This clarification appears necessary to respond to an apparent misunderstanding in PG&E's reply comments filed in this matter on March 6, 2014. PG&E's reply comments misconstrue CAC's comments and the proposed treatment of combined heat and power resources (CHP). As the CAC comments were the only comments to propose how Effective Flexible Capacity (EFC) should be calculated for CHP, it is important that those comments be interpreted correctly.

These comments clarify that CAC did not intend that CHP resources be completely excused from a must-offer obligation, but their must-offer obligation must be limited to the amount of flexible capacity actually contracted and sold to an LSE to satisfy its flexible capacity obligation.

To the extent necessary to permit the filing of these clarification comments, CAC requests waiver of any Commission rule or modification of the February 27, 2014 Ruling of Administrative Law Judge Gamson.

II. CLARIFICATION OF TREATMENT OF CHP

PG&E's reply comments suggest incorrectly that CAC proposed that CHP "be excused from the associated must-offer obligations that otherwise apply to the resource."¹ To clarify and elaborate, CAC's opening comments proposed a method for determining the EFC of CHP resources. The determination of the EFC that a resource can potentially provide must be differentiated from the amount that is actually sold to an LSE. Once that EFC is determined, CAC proposed that a CHP resource be free to offer any of that EFC as generic capacity. Any such EFC sold as generic capacity could be self-scheduled, and would not be subject to a must-offer obligation.² To the extent that a CHP resource contracts to sell any of its EFC as flexible capacity, that flexible capacity would be subject to a must-offer obligation.

CAC's statement that "flexible capacity is not intended to diminish a CHP resource's ability to self-schedule ..." ³ was intended to preserve the resource's ability to treat any of its capacity as generic capacity and to preserve its ability to self-schedule that generic capacity.

¹ *PG&E Reply Comments*, p. 5.

² That was the intent of the language quoted in PG&E's footnote 11.

³ *CAC Comments*, p. 3.

CAC did not intend to suggest that capacity sold to an LSE as flexible could be self-scheduled.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Alcantar", with a long horizontal flourish extending to the right.

Michael Alcantar
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