

**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
(Filed October 20, 2011)

**COMMENTS OF PACIFIC GAS AND ELECTRIC
COMPANY (U 39 E) ON THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR'S 2015 LOCAL
CAPACITY TECHNICAL ANALYSIS FINAL REPORT
AND FINAL 2014 FLEXIBLE CAPACITY NEEDS
ASSESSMENT**

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Dated: May 8, 2014

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Pursuant to the schedule established in the August 2, 2013, Phase 3 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge,^{1/} and by the assigned administrative law judge at the April 9, 2014, workshop on resource adequacy (RA) issues,^{2/} Pacific Gas and Electric Company (PG&E) provides these comments on the California Independent System Operator's (CAISO) 2015 Local Capacity Technical Analysis Final Report (2015 LCR Final Report) and Final 2014 Flexible Capacity Needs Assessment (2014 Final FCR Assessment).

At this time, PG&E has no comments on the 2015 LCR Final Report.

With respect to the 2014 Final FCR Assessment, at this point in the process PG&E has only very general comments:

- PG&E supports adoption of the proposed flexible capacity requirements for CPUC-jurisdictional load serving entities for 2015.
- PG&E appreciates the CAISO's acknowledgement of PG&E's concerns, expressed in informal discussions and earlier comments on earlier versions of the assessment, and the CAISO's commitment to address these issues in next year's

^{1/} Phase 3 Scoping Memo, p. 6.

^{2/} Tr. p. 83.

assessment.^{3/}

- PG&E looks forward to working with the CAISO and other interested parties to further refine the methodology to determine flexible capacity requirements in the future.

PG&E recommends that the California Public Utilities Commission acknowledge in its upcoming RA decision that further work is expected in the next iteration of the FCR Assessment (i.e., the 2015 FCR Assessment for the 2016 RA compliance year) to improve upon the methodology used to calculate flexible capacity requirements. Potential improvements to be considered could include those identified by the CAISO in their 2014 Final FCR Assessment as well as other issues that have previously been raised by parties or may be raised by parties in this proceeding and/or through the CAISO's FCR stakeholder process.

Respectfully Submitted,

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By: /s/ Mark R. Huffman

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^{3/} See, 2014 Final FCR Assessment, pp. 20-21.