

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

Order Instituting Rulemaking to Integrate and Refine
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 13-12-010
(Filed December 19, 2013)

**MOTION OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION FOR MODIFICATION OF THE SCOPING
MEMO AND RULING OF ASSIGNED COMMISSIONER
AND ADMINISTRATIVE LAW JUDGE**

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The Independent Energy Producers Association (IEP) respectfully requests a modification of the Scoping Memo and Ruling (Scoping Memo) issued on May 6, 2014 in this proceeding to clarify that the instant proceeding (Rulemaking (R.) 13-12-010) is the appropriate and sole forum for the Commission to authorize the investor-owned utilities to procure long-term flexible capacity. This motion is submitted under the provisions of Rule 11.1 of the Commission's Rules of Practice and Procedure.

The Scoping Memo stated that the purpose of R.13-12-010 is to integrate and refine procurement policies and consider long-term procurement plans. More generally, the purpose of the rulemaking is to "ensure a reliable and cost-effective electricity supply in California through the integration and refinement of a comprehensive set of procurement policies, practices and procedures underlying long-term procurement plans."

The Scoping Memo identifies two major phases of this proceeding. The scope of the first phase is to assess system reliability needs, and the second phase will consider

procurement rules and bundled plans. The assessment of system reliability needs will include issues related to grid operational flexibility needs. Specifically, the Scoping Memo asks, “Should the CPUC authorize the procurement of additional flexible resources now to ensure system reliability through 2024.” Equally important, the Scoping Memo indicates that this proceeding will address the question, “How should any identified need for flexible resources be filled?”¹

However, the Commission has a separate proceeding to consider electric procurement policy refinements pursuant to the Joint Reliability Plan (R.14-02-001). In prior comments, IEP has expressed uncertainty about how the proposed unified long-term reliability planning assessment in R.14-02-001 will interact with the Commission’s long-term procurement plan (LTPP), the subject of the instant proceeding.

From the discussion at the prehearing conference in R.14-02-001, IEP understands that the long-term reliability planning assessment will not result in the Commission authorizing the procurement of flexible capacity. IEP believes it would be helpful to clarify for all parties, by means of a modification of the Scoping Memo, that the instant proceeding, R.13-12-010, will be the sole forum for authorizing any procurement of flexible capacity for the 2014-2024 planning horizon.² The Commission’s LTPP proceeding has historically been the forum to determine long-term needs for resources needed to maintain overall grid reliability. The presence of another proceeding in which long-term reliability planning will be considered, however, may create confusion about which proceeding will actually determine the need for

¹ Scoping Memo, pp. 5-6.

² The Commission requires load-serving entities to procure flexible capacity as part of the annual Resource Adequacy RA obligation, starting in 2015. In R.14-02-001, the Commission is considering whether to adopt a multiyear RA obligation, which could include an obligation to procure flexible capacity. To date, the proposals for a multiyear RA obligation extend out only two three years. Procurement to meet the RA obligation would be for a short term, in contrast to the long-term procurement typically authorized in the LTPP proceedings.

long-term flexible capacity and authorize the utilities to procure the resources required to meet that need. IEP's requested modification will clearly identify the proceeding in which any procurement of flexible capacity will be authorized, and will help parties efficiently plan their participation in the Commission's procurement-related proceedings.

The requested clarification could be made by modifying the list of issues on page 10 of the Scoping Memo to clarify that "Flexible resources procurement and contract policies" will be addressed in R.13-12-010, rather than in R.14-02-001, or by adding a new discussion of the division of issues between R.13-12-010 and R.14-02-001.

For all of these reasons, IEP respectfully asks the Commission to grant its motion and to modify the Scoping Memo for this proceeding to clarify that this proceeding is the appropriate and sole forum for the Commission to authorize the investor-owned utilities to procure long-term flexible capacity.

Respectfully submitted this twelfth day of May, 2014 at San Francisco, California.

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