

**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
(October 20, 2011)

**REPLY OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION TO COMMENTS ON THE PROPOSED DECISION
OF ALJ GAMSON**

**INDEPENDENT ENERGY PRODUCERS
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Dated: June 23, 2014

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The Independent Energy Producers Association (IEP) replies to one point made in the comments of Southern California Edison Company (SCE) on the *Proposed Decision Adopting Local Procurement and Flexible Capacity Obligations for 2015, and Further Refining the Resource Adequacy Program*, issued by Administrative Law Judge David Gamson on May 27, 2014.

In its comments, SCE urges the Commission to establish a new Maximum Cumulative Capacity (MCC) bucket for resources that are available for two consecutive hours and that meet local Resource Adequacy (RA) needs.¹ Preferred resources and storage resources that met these criteria would count against both Local Capacity Requirements (LCRs) and system RA obligations. SCE seems to acknowledge that neither the Commission nor the California Independent System Operator (CAISO) has yet adopted the MCC bucket requested by SCE. SCE's exact request is a little unclear, but at one point SCE asks that "if the CAISO identifies a MW quantity of two-hour resources that meets the LCR need, then those preferred

¹ SCE's Comments, pp. 2-3.

loading order and energy storage resources available for at least two hours and in the defined local areas should be counted as meeting local and system RA requirements.”²

SCE’s request conflicts with its other point, calling for consistency between the Commission’s flexibility requirements and the CAISO’s flexible resource adequacy criteria and must-offer obligation (FRAC-MOO) proposal. Consistency would also require coordinated action on SCE’s proposal by both the Commission and the CAISO. To IEP’s knowledge, the CAISO has not yet identified two-hour resources that meet local requirements, and it would be premature for the Commission to adopt SCE’s proposed MCC bucket before stakeholders have had a chance to consider the full implications of this proposal. IEP agrees with SCE’s general principle that the Commission’s and the CAISO’s requirements should be consistent and coordinated. For the Commission at this point to adopt SCE’s proposed two-hour MCC bucket, however, would be inconsistent and out of coordination with the CAISO’s actions. If SCE believes its proposal is a good idea, it should present its proposal in the RA proceeding for 2016.

For this reason, IEP respectfully urges the Commission to reject SCE’s proposal to create a two-hour MCC bucket.

² SCE’s Comments, p. 3.

Respectfully submitted this 23rd day of June, 2014 at San Francisco, California.

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