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 (Filed October 20, 2011)

REPLY COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION AND THE SOLAR ENERGY INDUSTRIES ASSOCIATION ON THE PROPOSED DECISION

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Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the Large-scale Solar Association ("LSA") and the Solar Energy Industries Association ("SEIA") respectfully submit these reply comments on the May 27, 2014 Proposed Decision of ALJ Gamson Adopting Local Procurement and Flexible Capacity Obligations for 2015, and Further Refining the Resource Adequacy Program ("Proposed Decision").

I. INTRODUCTION

LSA and SEIA support the Proposed Decision's delayed implementation of an Effective Load Carrying Capacity ("ELCC") methodology to determine the qualifying capacity ("QC") of solar and wind resources. This determination is necessary given that the Energy Division has yet to release initial study results and there are numerous critical questions that need to be addressed prior to the implementation of the ELCC methodology, including questions regarding geographic and technological aggregation, weather and plant-level production data, and market and contractual implications. LSA and SEIA also support PG&E's recommendation that the Proposed Decision be clarified to indicate that QC values for wind and solar not be modified for

LSA and SEIA Reply Comments on the Staff Proposal on ELCC and QC Calculation Methodology for Wind and Solar Resources (March 3, 2014) p. 3.

² *Id.* at pp. 2, 5-6.

the 2015 RA year but implemented in 2016.³ LSA/SEIA believe that Load Serving Entities ("LSE"), and generators, require adequate time to factor any changes in qualifying capacity values into their planning and Resource Adequacy Compliance timelines. In contrast to the reasoned approach taken by the Proposed Decision, the California Wind Energy Association ("CalWEA") recommends that the Commission immediately adopt QC values for wind and solar based on ELCC calculations from E3's REFLEX and RECAP models for use in the 2015 RA year.⁴ As illustrated below, CalWEA's proposal is procedurally inappropriate and should be rejected.⁵

II. CALWEA'S PROPOSAL SHOULD BE REJECTED AS PROCEDURALLY INAPPROPRIATE

The Commission's Rules of Practice and Procedure establish the parameters for the allowable content of comments on a Proposed Decision:

Comments *shall* focus on factual, legal or technical errors in the proposed or alternate decision and in citing such errors shall make specific references to the record or applicable law. Comments which fail to do so will be accorded no weight.⁶

CalWEA's comments do not comply with this tenet, and as such can be accorded no weight.

Specifically, as noted above, CalWEA is proposing that the Commission adopt new ELCC values -- values that it is proposing for the first time in its comments on the Proposed Decision. These values are not part of the record of this proceeding, have not been vetted

PG&E Opening Comments on the Proposed Decision (June 16, 2014) p. 7.

⁴ CalWEA Opening Comments on Proposed Decision (June 16, 2014) p. 3.

The substantive deficiencies in CalWEA's proposal and characterization of solar RA values are not addressed here. However, a complete vetting of CalWEA's assumptions and proposal will be necessary should the Commission decide to disregard its on-going efforts on ELCC and move forward with CalWEA's proposal.

Rule 14.3 of the Commission's Rules of Practice and Procedure.

through a stakeholder process, and therefore the Commission has no basis to adopt CalWEA's proposal at this time.

While CalWEA points to "readily obtainable sources of ELCC data," ⁷ such data has not been previously proposed or vetted in this proceeding. ⁸ In essence, CalWEA is recommending the use of an undefined set of values from E3's REFLEX and RECAP models, which have not gone through a stakeholder process. The Commission must be able to base its decision on a fully developed record that results in a transparent and rational decision. That record has not been established in this case.

In this regard, the Scoping Memo for this case included the issue of "[p]reparation and review of new studies of the effective load carrying capacity of wind and solar resources on [sic] California." The intent was clearly to have the ELCC values which the Commission ultimately adopts developed as part of this proceeding, allowing for input from all parties, not to adopt alternative ELCC values based on studies prepared for other purposes or in other proceedings, as CalWEA now proposes.

CalWEA'S proposal is also incomplete. CalWEA asks the Commission to adopt ELCC values for wind and solar using ELCC studies performed in other contexts, but fails to provide any quantitative data showing the ELCC values that it is asking the Commission to adopt. While CalWEA references a number of studies and presentations from E3 that it claims use "ELCC

⁷ CalWEA Comments, p. 8.

⁸ CalWEA had ample opportunity in the prior workshops and comments to propose different ELCC values for the record, if it was concerned that the Energy Division's modeling might not be completed in time to fit within the tight time frame of this proceeding. In fact, CalWEA did not raise the concerns expressed in its Proposed Decision comments in its December 10, 2013 informal comments on ELCC issues, at the January 27, 2014 workshop, or in its February 18, 2014 formal comments filed in this proceeding.

Phase 3 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge, R. 11-10-023 (August 2, 2013), at p. 5.

values," it does not cite any specific page or table in those studies in which the precise ELCC values are listed. ¹⁰ In fact, all three of the E3 studies that CalWEA references (a) do not list specific ELCC values applicable to 2014 or 2015, (b) were performed for solar photovoltaic (PV) systems only, and (c) do not appear to reference at all ELCC values for wind. Moreover, CalWEA recommends that the Commission use an updated RPS calculator, developed by E3, that "Energy Division RPS staff is expected to release very soon." It would be prejudicial to other parties in the proceeding for the Commission to adopt such ELCC values, sight unseen, and without the opportunity for review and comment.

III. CONCLUSION

CalWEA's proposal for the adoption of QC values for wind and solar based on ELCC calculations from E3's REFLEX and RECAP models for use in the 2015 RA year must be rejected. The Commission, in concert with the parties, should move forward in the development and implementation of an ELCC methodology which is fully vetted with an opportunity for all parties to understand, comment on and make recommendations on the assumptions, methodology and the implementation of ELCC values in the Resource Adequacy program.

CalWEA Comments, p. 8

¹¹ *Id*.

Respectfully submitted June 23, 2014 at San Francisco, California.

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