

**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

**EMERGENCY MOTION
OF THE CALIFORNIA COGENERATION COUNCIL,
THE COGENERATION ASSOCIATION OF CALIFORNIA
AND THE ENERGY PRODUCERS AND USERS COALITION
TO DIRECT FURTHER MODELING**

This motion seeks an Administrative Law Judge (ALJ) order directing the California ISO (CAISO) to re-run its modeling of the Expanded Preferred Resources scenario with the correct planning assumptions for combined heat and power (CHP). The CHP Parties seeking emergency relief are the California Cogeneration Council, the Cogeneration Association of California and the Energy Producers and Users Coalition (the CHP Parties). This motion is pursuant to Rule 11.1 of the California Public Utilities Commission's Rules of Practice and Procedure.

The CAISO filed testimony in this docket on August 13, 2014 with the results of its modeling of four scenarios. The modeling of the Expanded Preferred Resources scenario (the "Expanded PR Scenario") did not use the correct assumption for supply-side CHP. This fact is undisputed by the CAISO. The *Assigned Commissioner's Ruling On Assumptions*, issued on February 27, 2014, adopted a planning assumption for supply-side CHP in the Expanded PR Scenario incorporating an established CHP

incremental growth projection. This projection included 1855 MW of supply-side CHP, which came from the ICF study of CHP potential performed for the California Energy Commission.¹

The CAISO's modeling of the Expanded PR Scenario, however, erroneously excluded any incremental growth in supply-side CHP. The CHP Parties brought this to the CAISO's attention immediately upon reviewing the August 13 testimony. The CAISO has subsequently acknowledged the mistake in its presentation summarizing its modeling results, attached as Exhibit A.² The slides in Exhibit A and the oral discussion at the presentation on August 26 suggest that the CAISO has referred this issue to Judge Gamson and is awaiting direction to re-run the modeling. The slides and discussion also suggested that the CAISO may be pre-judging the results of re-running the model with the correct CHP assumptions.

The Commission should direct the CAISO to immediately re-run the Expanded PR Scenario with the correct assumptions about supply-side CHP. The Commission selected the range of assumptions for the scenarios for a reason. These are evaluative tools for the Commission to consider in making forward policy and procurement decisions. The CAISO should immediately re-run the model to provide the Commission and the parties with the results for the full range of assumptions. Running the model with projections for supply-side CHP will provide the Commission and the parties with important information about the effects of more CHP growth. Encouraging such growth

¹ See, *Planning Assumptions, Scenarios, and RPS Portfolios for CPUC 2014 LTPP and CAISO 2014-15 TPP*, slides 10 and 11, December 13, 2013, at: <http://www.cpuc.ca.gov/NR/rdonlyres/BBE040E0-636B-4C1E-A16A-9A2741A1110E/0/2014LTPPASWorkshopDec182013slides.pdf>.

² http://www.caiso.com/Documents/Presentation_2014LTPPSystemFlexibilityStudy_SHcall.pdf.

is a matter of state policy³ and is a necessary component of achieving the procurement targets under the QF/CHP Settlement.⁴ In determining what choices to make in resource procurement, the Commission should have all of the data, including the consequences in cost and GHG emissions of implementing these state CHP policies.

The Commission should ignore any suggestion by the CAISO of the outcome of a corrected running of the Expanded PR Scenario. Modeling involves a complex set of interactions among resources and dispatch operations, and it is impossible to predict the outcome. In addition, the suggestion that the result might show increased curtailment of renewable resources may be a product of CAISO decisions in configuring the model. Ultimately, whether excess generation is resolved by curtailment or by some other measure is a policy decision to be made by the Commission, not by the modeler. The Expanded PR Scenario should be run with the correct CHP assumptions, and the Commission can use the correct results to make its policy decisions.

Given the tight time schedule for this phase of the docket, the CHP Parties request that the Administrative Law Judge consider this an emergency motion requiring expeditious action, and either issue guidance immediately, or require formal responses to this motion on a shortened time basis.

³ See, e.g., California Public Utilities Code Section 372(a), and CARB 2008 Scoping Plan goal of 4 GW of new CHP by 2020.

⁴ D.10-12-035, December 21, 2010, A.08-11-001.

The Commission should direct the ISO to expeditiously run the Expanded PR Scenario with the correct assumption about supply-side CHP, and to file supplemental testimony setting forth the results.

Respectfully submitted,




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