

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the  
Resource Adequacy Program, Consider  
Program Refinements, and Establish Forward  
Resource Adequacy Procurement Obligations.

Rulemaking 19-11-009  
(Filed November 7, 2019)

**JOINT OPENING COMMENTS OF CALIFORNIA ENERGY STORAGE ALLIANCE,  
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES, AND  
SOUTHERN CALIFORNIA EDISON ON THE HYBRID COUNTING WORKING  
GROUP FINAL REPORT SUBMITTED BY SAN DIEGO GAS & ELECTRIC  
COMPANY (U 902 E) AND THE CALIFORNIA ENERGY STORAGE ALLIANCE**

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March 23, 2020

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COMPANY (U 902 E) AND THE CALIFORNIA ENERGY STORAGE ALLIANCE**

California Energy Storage Alliance (CESA), Center for Energy Efficiency and Renewable Technologies (CEERT), and Southern California Edison (SCE) (hereinafter the Joint Parties) respectfully submit these Comments on the Hybrid Counting Working Group Final Report Submitted by San Diego Gas & Electric Company (U 902 E) and the California Energy Storage Alliance (Hybrid Counting Final Report), submitted in Rulemaking (R.) 19-11-009 (Resource Adequacy (RA)) on March 11, 2020. These Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure, the Assigned Commissioner's Scoping Memo and Ruling, issued on January 22, 2020 (Scoping Memo) and the Administrative Law Judge's Ruling Modifying Track 2 Schedule, issued on February 28, 2020 (February 28 ALJ Ruling).

**I.  
THE JOINT PARTIES MET TO EXPLORE CONSENSUS POSITIONS AFTER THE  
"FINAL REPORT" WAS FILED ON MARCH 11**

The Hybrid Counting Final Report states:

The Co-Chairs recommend that the Commission provide a means for additional stakeholder discussion of modifications to the SCE proposal...as there is the possibility of consensus among the parties to move to the use of a version of the Additive Method to replace the interim approach adopted in D.20-01-004. The

Co-chairs also recommend that working groups should be allowed to continue to resolve [these] issues, sync up with the CAISO hybrid initiative, and review the Joint IOU ELCC study results performed as part of the RPS proceeding.<sup>1</sup>

On March 11, the day the Hybrid Counting Final Report was filed, several parties<sup>2</sup> met by phone at the invitation of SCE to discuss these recommendations. Following that meeting, a draft of these comments was circulated among the parties on March 13, and a second draft was circulated on March 17.

## **II. JOINT PARTIES RECOMMENDATIONS**

The Joint Parties recommend that the Commission, in its June 2020, Track 2 Decision do the following:

- (1) Adopt the SCE modified Additive Methodology as the Interim Methodology for establishing the Net Qualifying Capacity (NQC) of a co-located resource (*i.e.*, with two or more resource IDs) for Resource Adequacy (RA) purposes, with the renewable component potentially derated to recognize the need to ensure that the storage component of a co-located resource be fully charged prior to peak load hours and that circumstances may dictate that the charging energy be provided by the renewable resource portion of the co-located resource. This would replace the current Interim “Greater Of” methodology.<sup>3</sup>
- (2) Express the intent that a durable Hybrid Counting Methodology to replace the interim methodology be adopted in Track 3 of this proceeding for hybrid resources (*i.e.*, with a

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<sup>1</sup> Hybrid Counting Final Report, at p. 18.

<sup>2</sup> California Independent System Operator (CAISO), CESA, CEERT, Large-scale Solar Association/Solar Energy Industries Association (LSA/SEIA), Middle River Power (MRP), NextEra, San Diego Gas and Electric (SDG&E), and SCE.

<sup>3</sup> The “greater of” methodology would continue to be utilized for hybrid resources (resources for which there is one meter and one resource ID at the CAISO) until Track 3 can evaluate in conjunction with the CAISO Hybrid Counting Stakeholder process to develop a more accurate counting methodology.

single resource ID) and that, if adopted, this durable NQC value will be used for 2021 RA showings.

- (3) Recognize the relevance of the CAISO Hybrid Resources Stakeholder Process to be conducted from April to October 2020, to Track 3 of this proceeding.
- (4) Recognize the relevance of the Joint investor-owned utility (IOU) Effective Load Carrying Capability (ELCC) study results performed as part of the RPS proceeding (R.18-07-003) to be conducted from April to October 2020, to Track 3 of this proceeding, and ensure that the study is conducted in a manner that allows direct usage of results in Track 3 of this proceeding.

### **III. DISCUSSION**

The above recommendations represent the consensus of the Joint Parties. Significant support for the principles involved was expressed by most of the parties that participated in both telephone call and e-mail exchanges following publication of the Final Report as well as in bilateral discussions with other parties from the larger Working Group. The fact that some parties to this post Final Report process chose not to file jointly at this time should not be taken as either support or opposition to any of the above recommendations.

The Joint Parties agree that, given the current tight supply/demand conditions for both System and Local RA, prompt Commission action on NQC counting rules for hybrid and co-located resources is critical. Although there was support for extending the use of the SCE Modified Additive Methodology as the interim methodology for true hybrid single resource ID projects in Track 2, the Joint Parties ultimately decided that certain issues associated with the Must Offer Obligation for single resource ID hybrid resources required more discussion that was

best conducted in the CAISO Stakeholder Process and the results taken up in Track 3 of this proceeding.

Hybrid and co-located resources represent over one-half of the resources currently in the CAISO Interconnection queue and a very significant fraction of future capacity related reliability products for the low carbon grid of the future. There is a unique opportunity to gain commercial experience with contracting and operation of these resources in the current 3,300 MW integrated resource plan (IRP) incremental RA procurement while backstop capacity through extension of once-through cooling (OTC) deadlines of existing gas resources is available should unforeseen issues arise.

#### **IV. CONCLUSION**

Joint Parties appreciates this opportunity to provide these Comments on the Hybrid Counting Final Report and respectfully asks that the above recommendations be included in the June 2020, R.19-11-009 Track 2 Decision.

Respectfully submitted,

March 23, 2020

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On Behalf of  
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