

**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
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**COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION
ON THE ORDER INSTITUTING RULEMAKING AND PRIORITY ISSUES FOR
THIS PROCEEDING**

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November 7, 2011

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Pursuant to the California Public Utilities Commission’s (“Commission”) Order Instituting Rulemaking 11-10-023 (the “OIR”) Ordering Paragraph 5, the Large-scale Solar Association (“LSA”) files these comments with our views on the highest priority issues to address in the proceeding and the proposed schedule for addressing those issues.

IDENTIFICATION OF PARTY AND INTEREST IN PROCEEDING

LSA represents fifteen of the nation’s largest developers and providers of utility-scale solar generation resources. Collectively, LSA’s members have contracted to provide over 7 gigawatts (“GW”) of clean, sustainable solar power under contract to California’s load-serving entities. LSA members develop, own and operate various types of utility-scale solar technologies, including photovoltaic and solar thermal system designs. LSA and its members have a strong interest in participating in this proceeding and providing comments on resource adequacy (“RA”) issues regarding renewable integration issues and assessing the contribution of solar towards meeting RA goals.

RECOMMENDATION FOR ISSUES TO BE CONSIDERED

LSA has identified one priority issue - developing rules for assigning resource adequacy value to resources with partial deliverability - that was not reflected in OIR Appendix A's list of Candidate Issues and Topics for the proceeding. The California Independent System Operator Corporation ("CAISO") recently completed its Generator Interconnection Process Phase II ("GIP-2"). In this initiative, the CAISO developed rules to provide a partial deliverability option for projects. LSA supports these changes and believes that they offer a pathway to recognize the reliability benefits offered by such projects and allow projects to avoid expensive upgrades that offer little incremental benefit for overall system reliability. In order to realize these benefits, it is critical for the Commission's rules to address these partial deliverability projects and how they are accounted for in the RA program. LSA asks the Commission to address these changes as Phase I items in the proceeding (to be completed by mid-2012) in order to provide certainty for renewable projects moving forward and allow these changes to inform the procurement process.

LSA PRIORITIES OF THE ISSUES IDENTIFIED IN OIR

In addition to the issue listed above, LSA has identified two issues listed in Appendix A of the OIR, which we recommend that the Commission take up early in this proceeding.

First, LSA supports the inclusion of issue #5 from Appendix A ("Review the plan for a non-generic capacity procurement requirement process to add resource operational characteristics such as regulation and ramping 'load following' capabilities into the resource adequacy procurement requirements") in Phase I. LSA intervened in the prior RA proceeding, R.09-10-032, in part in response to the CAISO's request that the Commission consider including operational characteristics in the Commission's RA requirements. Based on Commissioner Ferron's September Ruling in R.09-10-032 and the inclusion of this item on the list in Appendix A, this issue is being considered for the current proceeding. With additional work, this could provide a mechanism to institutionalize reasoned consideration of the system's operational needs as renewable

generation grows. LSA supports the CAISO's efforts to account for the current operational flexibility of the fleet and to monitor the flexibility of the system as California moves towards achieving its renewable policy goals. LSA seeks to ensure that any operational procurement requirements complement - and are not duplicative of - renewable integration procurement authorized in other Commission proceedings, including the Long-term Procurement Planning ("LTPP") proceeding. This proposal would lead to some significant changes in the RA rules and likely cannot realistically be completed in Phase I; however, we recommend that the Commission start the Phases of this proceeding concurrently and begin to address this issue early in the proceeding. In order to coordinate with the LTPP integration modeling and determine additional informational needs, it is critical to start work on this proposal early in the proceeding, rather than waiting until after Phase I is completed.

Second, LSA encourages the Commission to move forward quickly with the RA changes included in SBx1 2 (Issue #9 from Appendix A). We applaud the Commission's efforts to address the renewables portfolio standard ("RPS") implementation issues in SBx1 2 expeditiously. In the Order Instituting Rulemaking for the RPS implementation proceeding, the requirement that the Commission re-determine effective load carrying capacity requirements for solar and wind generation resources for RA purposes (§ 399.26(d)) was deferred to other proceedings. Section 399.26(b) requires the Commission to determine the effective load carrying capacity for solar and wind and use those values in computing the contribution of these resources towards meeting RA requirements. SBx1 2 requires this work to be completed by July 2011. Since the statutory deadline has passed, we believe this issue should be taken up in Phase I of the proceeding and addressed as quickly and efficiently as possible.

SCHEDULING ISSUES AND CONCERNS

LSA has not identified any scheduling concerns at this point.

CONCLUSION

LSA asks the Commission to include the following issues in Phase I of the proceeding:

1. Addressing partial deliverability in the RA rules
2. Determining the effective load-carrying capacity for wind and solar resources

LSA also requests that the Commission start the two phases of this proceeding concurrently and begin work on complex issues early in the proceeding. In particular, LSA recommends that work on Issue #5 (considering CAISO's proposal for a non-generic capacity procurement requirement process) be started soon, but recognizes that this issue likely cannot be completed in the timeframe for Phase I.

Respectfully submitted,

By: /s/ Shannon Eddy
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Association

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