

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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

Rulemaking 21-10-002
(Filed October 7, 2021)

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION ON THE ADMINISTRATIVE LAW JUDGE'S PROPOSED
DECISION**

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I. Introduction

The California Independent System Operator Corporation (CAISO) submits comments on Administrative Law Judge Chiv’s November 9, 2022 *Proposed Decision Denying Petition for Modification of Decision 22-03-034 By California Community Choice Association* (Proposed Decision). The CAISO supports the Proposed Decision and looks forward to working with the Commission, Commission staff, and parties to promote transparency regarding Central Procurement Entity (CPE) solicitation, participation, and procurement.

II. Discussion

A. The Commission Should Adopt the Proposed Decision.

The CAISO strongly supports the Proposed Decision. The Proposed Decision denies *California Community Choice Association’s Emergency Petition for Modification of D.22-03-034 to Modify Resource Adequacy Procurement Timeline and Adopt Interim System Resource Adequacy Waiver Process* (PFM), dated September 30, 2022.¹ The PFM proposes to allow load serving entities (LSEs) to “suspend” a portion of their system and flexible capacity procurement obligations relative to the CPE shortfall in the Pacific Gas and Electric service territory until after the CAISO uses its backstop authority to cure for local capacity deficiencies.² In prior

¹ Proposed Decision, Ordering Paragraph 1.

² PFM, p. 2.

comments opposing the PFM, the CAISO stated that the resource adequacy program should not rely on CAISO backstop procurement to meet LSEs' forward capacity procurement obligations.³ Such practice inappropriately defers additional procurement responsibility to CAISO backstop processes and could trigger additional CAISO backstop designations beyond those needed to address a CPE's individual local resource adequacy deficiency. For these reasons, the CAISO urges the Commission to adopt the Proposed Decision.

B. The CAISO Supports Additional Transparency Regarding CPE Solicitation, Participation, and Procurement to Better Inform LSEs' System Procurement Decisions.

In response to the PFM, the CAISO also recommended the Commission provide additional information regarding CPE solicitation, participation, and procurement to help LSEs understand the nature of local capacity that is not shown or offered to the CPE.⁴ The CAISO explained there is a potential gap between the local capacity shown or offered to the CPE and the resources ultimately shown to the CAISO.⁵ Increased transparency could alleviate LSE concerns and speculation regarding potential local capacity shortfalls and potential CAISO backstop procurement. In turn, alleviating LSE speculation regarding backstop procurement will help LSEs better manage their "front stop" system resource adequacy procurement.

The Proposed Decision agrees with the CAISO's recommendation to provide additional transparency on CPE procurement efforts and encourages parties to submit proposals addressing this issue in the next phase of this proceeding's Implementation Track.⁶ The CAISO looks forward to working with the Commission, Commission staff, and parties on ways to promote transparency and better inform LSEs' system procurement decisions.

³ CAISO Response to PFM, October 11, 2022, p. 2.

⁴ *Id.*, p. 3.

⁵ *Id.*, pp. 3-4.

⁶ Proposed Decision, p. 10.

III. Conclusion

The CAISO appreciates the opportunity to provide comments on the Proposed Decision.

Respectfully submitted

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