

DOCKETED	
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Summer Reliability

Lead Commissioner Workshop

May 17, 2023



Introduction

- Q&A & Comments: Zoom Q&A function
- Administrative questions: Zoom Chat function
- Public comments due May 31, 2023
- CEC Docket 21-ESR-01



Comments from the Dais



Introduction & Context



Liz Gill, Special Advisor to Vice Chair Gunda



Summer Reliability Workshop Overview

- Anticipated Summer Situation
- Summer Reliability Assessments
- Strategic Reliability Reserve
- Supply Chain Panel





Three Reliability Challenges in California

Planning Processes

- Improve ability to account for climate change-induced weather variability
- Ensure timely and sufficient procurement across all jurisdictions
- Improve processes associated with interconnection and permitting

Scaling Resources

- Expand diversity of resources
 - Demand-side (e.g., more demand flexibility)
 - Supply-side (e.g., long-lead resources)

Extreme Events

- Augment Strategic Reliability Reserve



Challenges Remain to Timely Deployment of Authorized Resources

- Success requires record resource build rates, which are impacted by:
 - Supply chain vulnerabilities
 - Interconnection and permitting delays
 - Increasing prices and competition for equipment
- Uncertainties in availability of existing resources
 - Hydro
 - West-wide tight RA market

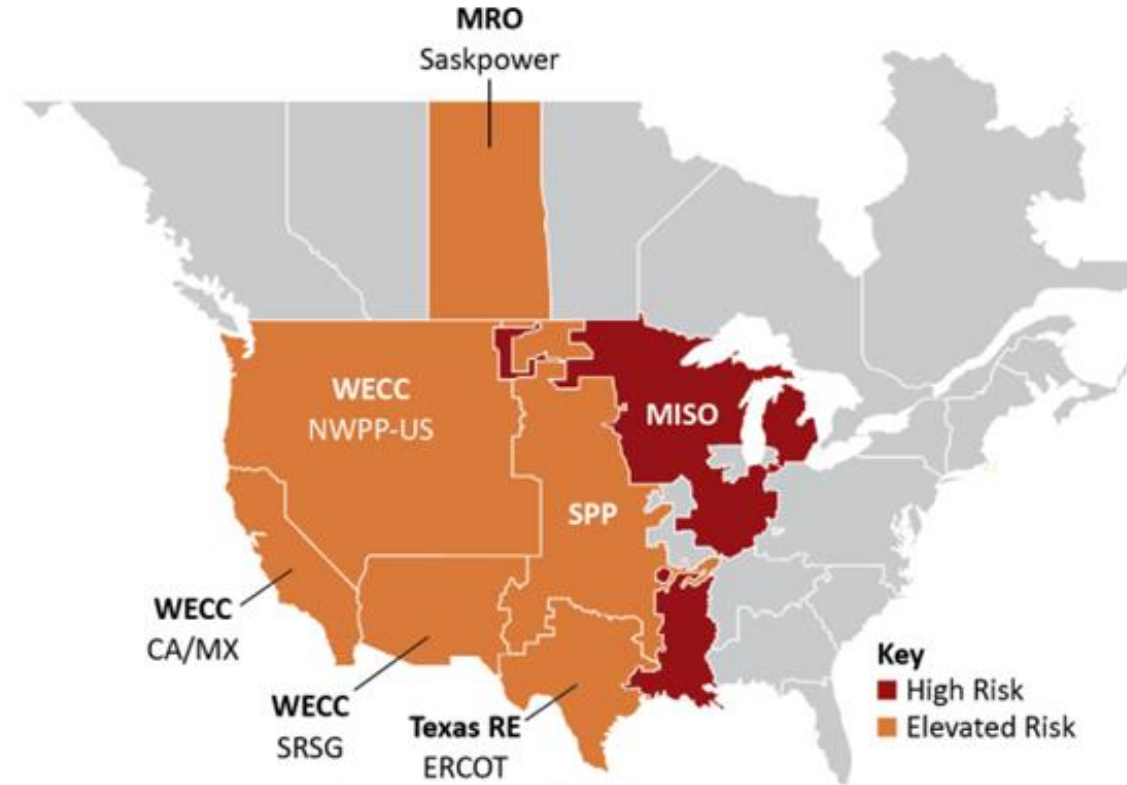


Figure 1: Summer Reliability Risk Area Summary

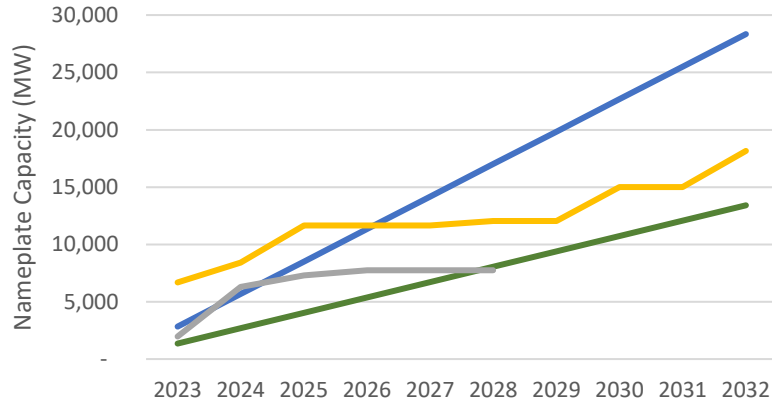
Seasonal Risk Assessment Summary	
High	Potential for insufficient operating reserves in normal peak conditions
Elevated	Potential for insufficient operating reserves in above-normal conditions
Low	Sufficient operating reserves expected

Source: NERC 2022 Summer Reliability Assessment

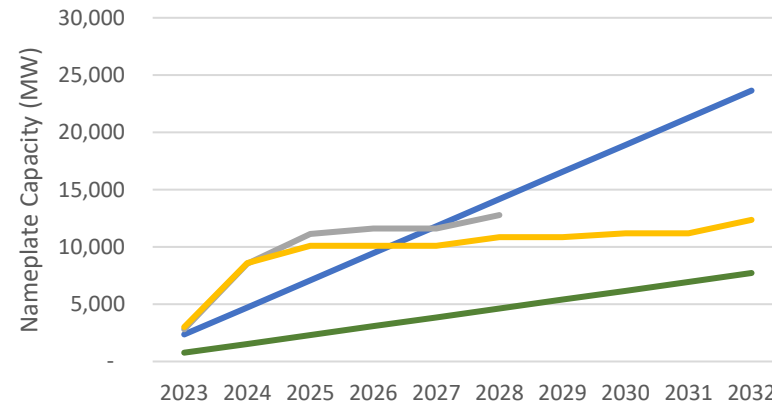


Success Requires Sustained Record Build Rates (cont.)

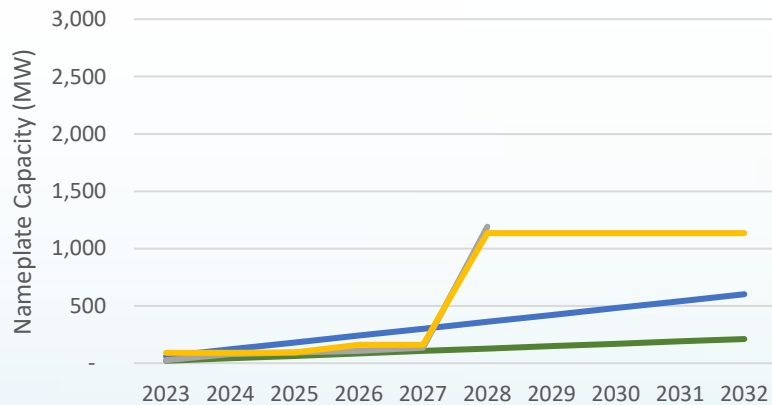
Solar Build Rates



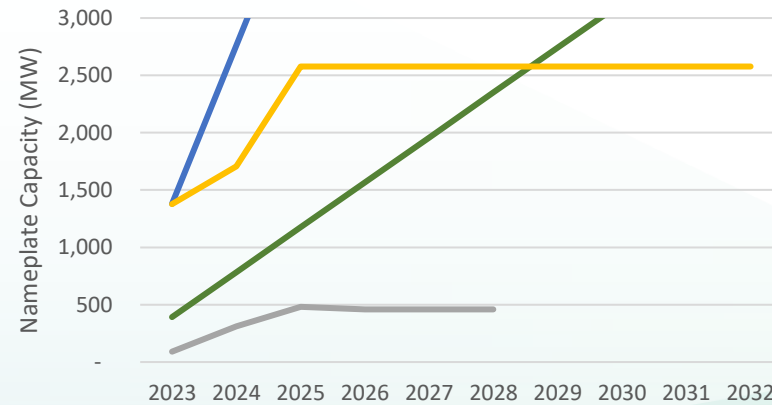
Battery Build Rates



Geothermal Build Rates



Wind Build Rates



- CAISO Maximum Since 2011
- CAISO Average Since 2011
- CPUC Procurement Order
- CPUC Preferred System Plan

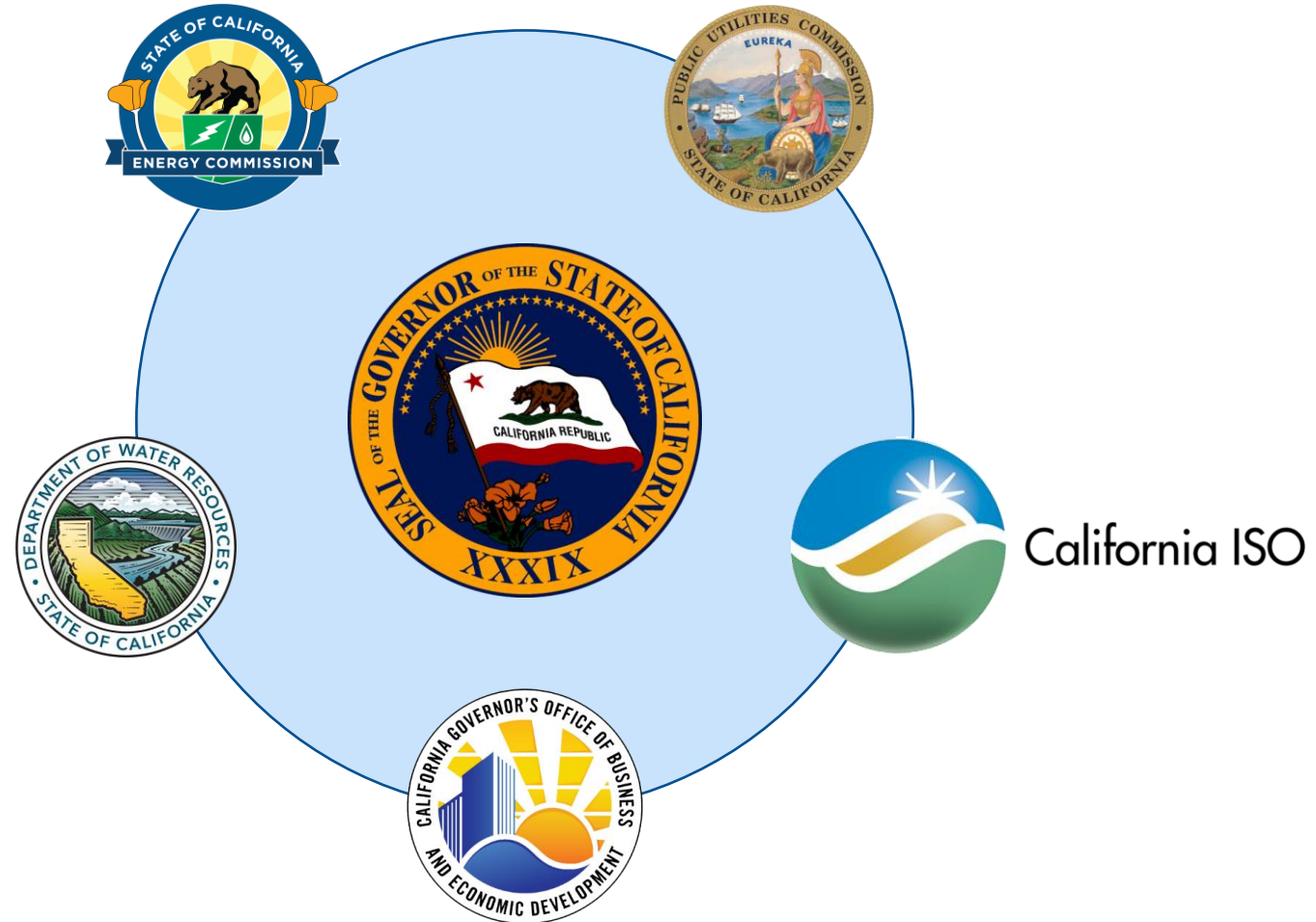
- CAISO maximum and average build rates since 2011 by technology type
- Average build rates are generally insufficient
- Maximum build insufficient in the near term



Actions Taken – Expanded Summer Planning

Coordinated activities

- Reliability analyses
- Resource tracking
- Contingency tracking
- Entity-specific emergency actions tied to CAISO System Operations Emergency Plan
- Real-time communication at senior levels





Actions Taken – Legislative Drivers

Assembly Bill 205

- Strategic Reliability Reserve Fund
 - Distributed Electricity Assets Program
 - Demand Side Grid Support Program
 - Certification of DWR SRR Facilities
- Opt-In Permitting
- Long-Duration Energy Storage
- Summer 2022 Reliability Report

Assembly Bill 209

- Planning Reserve Margin
- Climate Innovation Program
- Clean Energy Programs
- Offshore Wind Infrastructure

Senate Bill 846

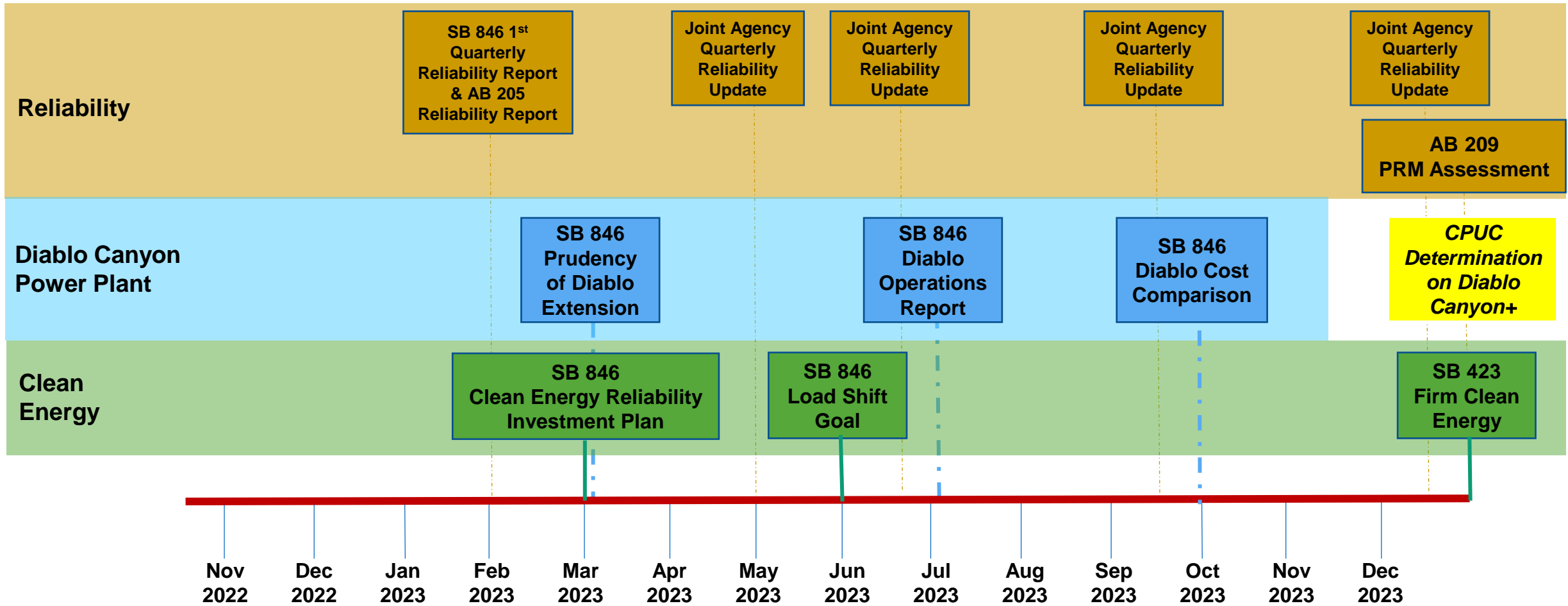
- Reliability Planning Assessment
- Clean Energy Reliability Investment Plan (CERIP)
- Determination on the Need for Extension of Diablo Canyon
- Report on Diablo Canyon Operations
- Load Shift Goal and Policies
- Cost Comparison of Diablo Canyon
- Reevaluating Cost Effectiveness of Diablo Canyon

Senate Bill 423

- Report on Firm, Zero-carbon Resources



Key Milestones from Legislation

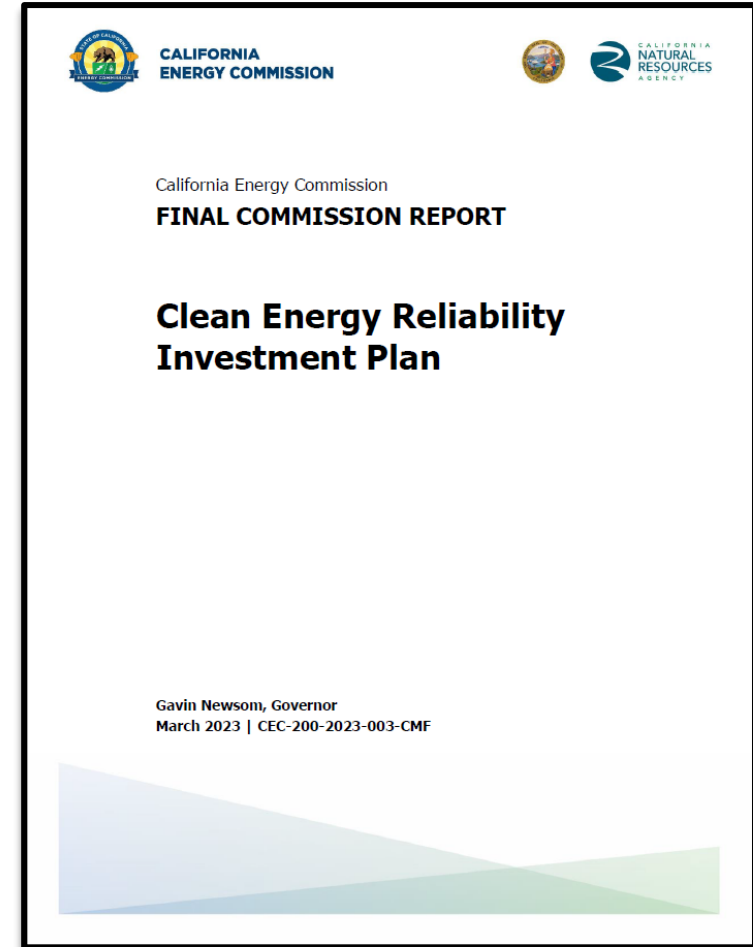




Future Potential – Clean Energy Reliability Investment Plan

Funding Priorities

- Enabling Investments
- Scaling Demand-side Resources
- Scaling Supply-side Resources
- Augmenting for Extreme Events





Proposed Funding by Priority

Priority	Proposed Funding			
	23/24	24/25	25/26	Total
Enabling Investments	\$57	\$5	\$5	\$67
Scaling Demand-side Resources	\$0	\$175	\$270	\$445
Scaling Supply-side Resources	\$0	\$150	\$150	\$300
Augmenting for Extreme Events	\$33	\$50	\$50	\$133
Administration	\$10	\$20	\$25	\$55M
Total	\$100	\$400	\$500	\$1,000M