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*Comment Received From: Josh Harmon*  
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**PG&E Comments RE AB 209 POU PRM Workshop**

*Additional submitted attachment is included below.*



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California Energy Commission  
Docket Number 21-ESR-01  
715 P Street  
Sacramento, CA 95814

**RE: Assembly Bill 209 Publicly Owned Utility Planning Reserve Margin Workshop**

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the California Energy Commission's (CEC) Assembly Bill (AB) 209 Publicly Owned Utility (POU) Planning Reserve Margin (PRM) Workshop held on November 16, 2023. PG&E supports the CEC's analytical efforts on the establishment of the POU's PRMs and looks forward to continuing its collaboration with CEC staff and stakeholders on this effort.

**A. PG&E encourages the CEC to coordinate its PRM analytical efforts with the California Public Utilities Commission (CPUC).**

During the *Proposed Options for Setting PRMs* presentation, the CEC proposed methodological options for setting the PRMs for the POU's: 1) a Monte Carlo simulation (stochastic) approach or 2) an analytical method that uses probability distributions. At the current time, PG&E does not have a specific preference for either of the proposed approaches.

However, PG&E believes that alignment and collaboration between the CEC and the CPUC will be helpful in minimizing the number of approaches used by CPUC-jurisdictional and non-CPUC-jurisdictional load serving entities (LSE) within the California Independent System Operator (CAISO) footprint. For example, the CPUC recently adopted a slice-of-day approach for its Resource Adequacy (RA) program, which PG&E believes could be aligned with the "analytical method with probability distributions" approach as discussed by the CEC. In that same vein, the CPUC is in its early stages of developing a reliability framework (e.g., referred to as the Reliability and Clean Power Procurement Program) in the Integrated Resource Planning (IRP) proceeding. It would be helpful if these analyses were coordinated.

Accordingly, PG&E recommends that the CEC coordinate its PRM analytical efforts with the CPUC and encourages the CEC to keep its options open as the CPUC is in the process of reconsidering its modeling approaches to setting the PRM in both the IRP and RA proceedings.

**B. PG&E believes there is value in conducting a PRM study for all balancing areas in California and using POU-specific inputs and assumptions.**

As an initial assessment, PG&E believes there is value in the CEC conducting a PRM study for all balancing areas in California, as well as using POU-specific inputs and assumptions. Electric reliability is maintained on a balancing area basis, but assessing reliability California-wide will show the extent to which imports are relied upon across the various balancing areas. Completing PRM studies under both scenarios will allow stakeholders to best assess the impact and magnitude across utilities within the CAISO footprint. For the CAISO balancing area, impacts of CPUC-jurisdictional and non-CPUC-jurisdictional LSEs will primarily help to determine the appropriate approach to implement AB 209. Further, a POU-specific analysis may be more informative regarding the capacity needed by that specific POU but would not capture any resource diversity benefit across CAISO. It is important to understand the advantages and disadvantages of either approach, especially given the existence of different capacity counting rules (e.g., qualifying capacity value) across the local regulatory agencies and ensure that all LSEs are contributing towards their share of system reliability in California.<sup>1</sup>

### **C. Conclusion**

PG&E appreciates the opportunity to comment on the CEC's AB 209 Workshop and looks forward to continuing to collaborate with the CEC. Please reach out to me if you have any questions.

Sincerely,

Josh Harmon  
State Agency Relations

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<sup>1</sup> For example, the CPUC's recent IRP procurement orders were based on a CAISO-wide system load, but only CPUC-jurisdictional LSEs were directed to conduct procurement.