

DOCKETED

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Stakeholder Comments Template - Proposed Consolidation of Principles

Submit comments to: Tom.Flynn@energy.ca.gov

Comments are due October 1 by 5:00 p.m.

All comments received will be posted to CEC Docket 21-DR-01

Instructions: CEC staff is requesting stakeholder comments on the set of nine principles retained, combined, and/or reworded based on stakeholder discussion during the Principles WG meetings held on September 13 and 27. This discussion also resulted in some principles being dropped.¹ Each proposed principle is followed by three questions; please provide a response to each question, as applicable, in the space provided. Toward the end of this comments template, CEC staff is requesting comments, as applicable, in two other areas.

Comments on the refined set of principles

- I. Principles #1, #5, #11 combined – **“The QC methodology, including ex-post performance measurement, should be transparent, replicable, and understandable.”**
 - a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.
Response: *PG&E supports the principle with modification.*
 - b. If your organization would require changes to support, what changes would your organization suggest?
Response: *PG&E proposes the principle cover ex ante valuation as well. Revised language: “The QC methodology, including ex-post performance measurement and ex-ante capacity valuation, should be transparent, replicable, and understandable.”*

¹ Principles #4, #7, #13, #14, #15, #16, #17, #18, #20, #21, #22 were dropped based on stakeholder discussion.

- c. Explain your organization's support or opposition of this principle.

Response: *The QC methodology is primarily used for resource planning purposes and should include both ex post and ex ante measurement.*

II. Principles #2, #3 combined – **“The QC methodology should be forward-looking and use the most current information regarding resource capabilities, including historical performance data where possible.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E supports the principle as worded*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *No changes made.*

- c. Explain your organization's support or opposition of this principle.

Response: *PG&E finds the principle reasonable, and it is consistent with the methodology today.*

III. Principle #6 – **“The QC methodology should be sufficiently fast and easy to update to enable DR providers to participate in all capacity solicitations.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E neither supports nor opposes this principle.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *N/A.*

- c. Explain your organization's support or opposition of this principle.

Response: *While a complex QC method does not make the update process easy, it is more important for the QC method to be accurate than easy to update. PG&E agrees that without sacrificing rigor, a simple method is preferred to a complex one. However, simplicity in itself should not be a guiding principle. In addition, all-capacity solicitations do not happen often. The primary focus of the QC methodology should be placed on the capacity valuation that is conducted on a regular basis, rather than accommodating one-off events.*

IV. Principle #8 – **“The QC methodology should be compatible with individual DR resources and aggregations of resources.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E supports the principle as worded.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *No changes required.*

- c. Explain your organization’s support or opposition of this principle.

Response: *The QC methodology should be flexible enough to be applicable to individual DR resources and aggregation of resources.*

V. Principle #9 – **“The QC methodology should be consistent and compatible with the RA program.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E supports the principle as worded.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *No changes required.*

- c. Explain your organization’s support or opposition of this principle.

Response: *Since the QC method is used to determine DR’s RA credit, it is critical for the method to be consistent and compatible with the RA program.*

VI. Principle #10 – **“The QC methodology should account for all factors that substantially influence DR variability.”**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E supports this principle with modification.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *PG&E’s revised language: The QC methodology should account for as many factors as reasonable and measurable, that substantially influence DR variability.*

- c. Explain your organization's support or opposition of this principle.

Response: *Despite the good intent, the original wording is too strong and may not be practical. It is unrealistic to require the QC methodology to account for "all" factors that substantially influence DR's variability, especially those that are not easily measured.*

VII. Principle #12 – **"The QC methodology should account for the use-limited, availability-limited, and variable-output nature of DR."**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E supports the principle as worded.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *No changes required.*

- c. Explain your organization's support or opposition of this principle.

Response: *PG&E believes it is important for the DR valuation method to account for DR's variable nature, without assuming a fixed output level by default.*

VIII. Principle #19 – **"The QC methodology should accurately account for DR's contribution to reliability."**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E supports the principle as worded.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *No changes required.*

- c. Explain your organization's support or opposition of this principle.

Response: *It is reasonable to expect DR to provide contribution to grid reliability, although we also note that the hours DR is required to provide reliability contribution should be determined by the RA program, not the QC methodology itself.*

IX. Principle #23 – **"The QC methodology should, to the extent possible, rely on software or code that is available at nominal cost to DR providers."**

- a. Indicate whether your organization supports the principle as worded, would require changes to support, or opposes the principle.

Response: *PG&E does not support this principle.*

- b. If your organization would require changes to support, what changes would your organization suggest?

Response: *Not applicable.*

- c. Explain your organization's support or opposition of this principle.

Response: *Software cost should not constitute a guiding principle for the QC methodology, as how much is considered nominal is arbitrary and will vary over time. Also, cost recovery is outside the scope of the working group.*

Comments about principles not included

Please provide any comments concerning principles that your organization believes are missing from the refined set of principles.

Response: *None.*

Any additional comments

Please provide any additional comments that your organization would like to make.

Response: *PG&E appreciates the opportunity to provide comments on the proposed principles.*