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**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 and Flexible  
Procurement Obligations for the  
2019 and 2020 Compliance Years.

Rulemaking 17-09-020  
(Filed September 28, 2017)

**WELLHEAD ELECTRIC COMPANY, INC.  
COMMENTS ON TRACK 3 WORKSHOP AND PARTY PROPOSALS.**

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March 22, 2019

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COMMENTS ON TRACK 3 WORKSHOP  
AND PARTY PROPOSALS**

Pursuant to the Assigned Commissioner and Administrative Law Judge's Amended Scoping Memo ("Scoping Memo") and Ruling issued on January 29, 2019, the E-mail Ruling Extending Track 3 Proposal Deadline issued on February 22, 2019 and Administrative Law Judge's Ruling on Proposals of Energy Division issued on March 4, 2019, Wellhead Electric Company, Inc. ("Wellhead") respectfully submits these comments on the Energy Division's ELCC proposal, select Track 3 proposals, and the workshop presentation made on March 12<sup>th</sup> and 13<sup>th</sup>, 2019.

**I. INTRODUCTION.**

Wellhead notes that there is a meaningful number of parties<sup>1</sup> that are advocating for changes to the Flexible RA program to be made sooner rather later. There are two primary categories of change advocated by the proposing parties:

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<sup>1</sup> In addition to Wellhead, California Energy Storage Association ("CESA"), Western Power Trading Forum ("WPTF"), Southern California Edison ("SCE") and the Joint DR Parties

1. Unbundling of Flexible RA, and
2. Development of Fast Flex RA.

Also, CEERT has proposed an interesting “Portfolio NQC” for which Wellhead will offer its comments below.

## **II. UNBUNDLING OF FLEXIBLE RA**

Wellhead agrees with CESA, Southern California Edison, the Joint DR Parties, and WPTF that the Commission should “unbundle Flexible RA from System and Local RA”<sup>2</sup>. Such unbundling would allow for a much more transparent identification of the relative contributions of individual resources and resource classes to the overall Resource Adequacy program.

## **III. Fast Flex RA**

To be prepared for 2030 and beyond, resource owners and developers need to make technological adjustments and do so with proper foresight. Wellhead supports CESA’s position that “[b]y tackling [changes to the Flexible RA program] before the conditions become materially binding or consequential, stakeholders can support implementation and anticipate future changes without upsetting the balance of benefits and burdens in resource contracts, operations, etc”.<sup>3</sup> Further, Wellhead supports CESA’s proposal that the definition of Flex-RA

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<sup>2</sup> (i) Western Power Trading Forum Track 3 Proposals dated March 4, 2019, pg. 2, (ii) Track 3 Proposal of The California Energy Storage Alliance In Response to The Amended Scoping Memo and Ruling of Assigned Commissioner, dated March 4, 2019, pg. 5, (iii) Southern California Edison Company’s Track 3 Proposal, dated March 4, 2019, pg. 14, and (iv) Joint Track 3 proposals of CPOWER, ENEL X NORTH AMERICA, INC., AND ENERGYHUB, dated March 4, 2019 pg. 4.

<sup>3</sup> Track 3 Proposal of The California Energy Storage Alliance In Response to The Amended Scoping Memo and Ruling of Assigned Commissioner, dated March 4, 2019, pg. 5

“should be adjusted to fit the operational needs by ‘counting’ a resource’s flexible capacity based on its ramping ability across a shorter period of time”<sup>4</sup>. The Commission should develop a Fast Flex RA product in Track 3 or specify a rate making proceeding for its development.

#### **IV. CEERT’s PROPOSAL**

Wellhead is supportive of CEERT’s proposal to use a “portfolio NQC”<sup>5</sup> to address certain local reliability challenges. SB 1136 mandates that the resource adequacy program shall achieve certain objectives including, to “Facilitate [the] development of new generating, non-generating, and hybrid capacity...that is economic and needed.” Wellhead finds that CEERT’s proposal is very consistent with SB1136, however, as with any new and unique idea, CEERT’s proposal needs development and has yet to be tested. With this in mind, and as CEERT has previously proposed<sup>6</sup>, Wellhead supports a pilot program to assist in further developing CEERT’s proposal and its nascent methodologies.

#### **V. ELCC**

The Energy Division noted in its ELCC proposal and presentation that “[g]roups of resources can provide more benefits in terms of reducing LOLE than resources individually.”<sup>7</sup> This added benefit results from the portfolio as whole, i.e. the whole is greater than the sum of its parts.

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<sup>4</sup> Track 3 Proposal of The California Energy Storage Alliance In Response to The Amended Scoping Memo and Ruling of Assigned Commissioner, dated March 4, 2019, pg. 5-6

<sup>5</sup> Track 3 Proposals of the Center for Energy Efficiency and Renewable Technologies, dated March 4, 2019, pg. 4.

<sup>6</sup> Track 1 Proposals of the Center for Energy Efficiency and Renewable Technologies, dated February 16, 2018, pg. 3.

<sup>7</sup> Energy Division Monthly ELCC Proposal for 2020 RA Proceeding, dated November 27, 2018, pg. 5

Energy Division is advocating that portfolio benefits gained by storage capacity additions should be allocated to solar resources, resulting in improved/higher ELCC's for solar. Wellhead observes that the portfolio benefits of storage additions belong to the portfolio and only to the portfolio. It is a distortion to allocate the portfolio benefit to a particular class of resource. The Commission should allocate the incremental portfolio benefit to load by reducing the load that must be served.

## **VI. CONCLUSION**

Wellhead respectfully submits these comments and looks forward to its continued participation in this proceeding.

Dated: March 22, 2019

Respectfully submitted,

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