

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

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

Rulemaking 19-11-009  
(Filed November 7, 2019)

**RESPONSE OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION TO MOTION OF THE JOINT PARTIES**

Pursuant to Rule 11.1(e) of the Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) submits its response to the motion submitted by the Joint Parties<sup>1</sup> requesting consideration of the effects of COVID-19 on system resource-adequacy requirements for the 2021 Compliance Year.

**I. DISCUSSION**

Since 2013, the Commission, the California Energy Commission (CEC) and the CAISO have collaborated to develop and implement the use of a single managed forecast set for planning purposes. This process alignment ensures that demand forecasts used in planning and procurement processes across all three entities are developed using “a common information and analytical basis that would ensure collaboration and transparency in carrying out these functions.”<sup>2</sup> Moreover, development of the single forecast set drawn from the California Energy Demand Forecast benefits from a transparent and inclusive stakeholder process at the CEC. For the most recently approved California Energy Demand 2019 forecast, adopted as part of the 2019 Integrated Energy Policy Report (IEPR), the Commission and the CAISO have already incorporated the single forecast set in a variety of planning and procurement processes. Any changes to the 2021 forecast would have downstream impacts on numerous processes. In addition to setting system resource adequacy requirements, the Commission used the same single

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<sup>1</sup> The Alliance for Retail Energy Markets; California Large Energy Consumers Association; Direct Access Customer Coalition; Energy Users Forum; Shell Energy North America (US), L.P.; and the Regents of the University of California known collectively as the Joint Parties, filed its motion on May 15, 2020.

<sup>2</sup> CEC 2019 IEPR, p. 222.

forecast set in the integrated resource planning process and the investor owned utilities' distribution planning studies. The CAISO used the same single forecast set to develop flexible and local resource adequacy requirements, establish maximum import capability allocations, and conduct its Transmission Planning Process studies (reliability, economic, and policy). The CAISO's flexible and local capacity studies are multi-month efforts requiring considerable CAISO staff and stakeholder effort that cannot be updated or refreshed with a new forecast in time for 2021 procurement. Therefore, the CAISO is opposed to any change to flexible and local capacity requirements for 2021 due to COVID-19 impacts.

The CAISO analysis cited by the Joint Parties is a backcast analysis that compares actual loads under California's current state-wide stay-at-home order to expected loads if no order were in place, given similar underlying weather conditions and type of day. It is a historical analysis and not a forecast for future conditions. Thus far COVID-19 impacts are not uniform, with some loads increasing and others decreasing and some parts of the daily load shape decreasing but others remaining approximately the same, such as the later peak hours after the sun sets. Because current COVID-19 conditions are fluid, the CAISO expects the load conditions to change as stay-at-home orders are lifted or modified and seasonal ambient conditions change. Therefore, the CAISO analysis should not be used as or confused with a forecast.

The CAISO agrees with Southern California Edison (SCE) that there is uncertainty regarding how COVID-19 will affect electricity demand in 2021 and any actions taken should not outweigh maintaining electric system reliability.<sup>3</sup> The CAISO also agrees with SCE that any potential changes to the load forecasts should be subject to the same rigor used to develop the original forecast through the CEC's IEPR process and should be adopted by the CEC.<sup>4</sup>

If a working group is formed, the CEC's participation is essential. However, discussions at the Commission via a working group or otherwise, should not replace or circumvent the existing IEPR process or its associated Demand Analysis Working Group, where technical deep-dive issues related to the forecast are discussed.<sup>5</sup>

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<sup>3</sup> SCE comments, p. 2.

<sup>4</sup> SCE comments, p. 3.

<sup>5</sup> See <https://www.energy.ca.gov/programs-and-topics/topics/energy-assessment/demand-analysis-working-group-dawg>

## II. CONCLUSION

The CAISO appreciates this opportunity to provide its response to the Joint Parties Motion.

Respectfully submitted,

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