

Large-scale Solar Association (LSA) Responses to Reliability Procurement Compliance Workshop Questions (July 14, 2026)

Introduction: LSA appreciates the opportunity to provide responses to Energy Division's questions regarding reliability procurement compliance. Although solar resources are not typically characterized as reliability resources in the same manner as long-lead-time (LLT) or dispatchable resources, LSA has a direct interest in how this compliance process impacts solar in its role as a charging resource for storage.

LSA is also interested in how this compliance framework will address backstop procurement for LLT resources. LSA supports the Commission's efforts to procure LLT resources to increase resource diversity, while also planning in advance for credible backstop scenarios that allow resources like solar and storage to help fill gaps where appropriate, without creating unrealistic expectations that solar resources can be developed quickly enough to replace delayed or failed LLT resources on short notice.

LSA's responses below focus on the following themes:

- Solar has a direct stake in reliability procurement compliance, even if it is not traditionally categorized as a reliability resource, because of its role in charging storage.
- The compliance framework should recognize the interaction between RA charging sufficiency and reliability procurement targets.
- The compliance framework should avoid penalizing LSEs for pursuing viable resources within the required procurement window.
- Excusable resource delays should include circumstances outside the developer's control.

Section 1. Net Cone

1. Should a mechanism other than Net Cost of New Entry (CONE) be used to determine the penalty for procurement non-compliance? If yes, what mechanism?
2. Should the penalty be proportionate to the Load Serving Entities (LSE's) load served so that its ratepayers are not disproportionately and inequitably affected? Explain.

3. It is proposed to replace existing language that sets the procurement penalty amount (Net CONE) -- set at the price of a battery energy storage facility-- to a specific dollar amount. Is there a reason that a specific dollar amount should not be provided to replace Net CONE? If yes, explain why?
4. Should application of procurement penalties be determined annually following June 1st?

LSA Response: The Net CONE should be tied to the type of resource needed to cure the specific procurement deficiency. A single Net CONE value based on a battery energy storage facility may not accurately reflect the cost of resolving all types of reliability procurement shortfalls. For example, if an LSE falls short because it does not have sufficient charging resources to maintain the RA value of its storage portfolio, the relevant replacement cost should be based on the cost of procuring additional energy resources, such as solar or wind, rather than the cost of procuring additional storage capacity. This technology-specific approach would better align the penalty with the actual resource need and would avoid over- or under-stating the cost of curing different types of compliance deficiencies.

Section 2. Good Faith Effort

1. With the implementation of the alternative compliance approach, it is proposed to sunset the “good faith effort” policy. Is there a need for a complementary policy for the existing alternative compliance approach? Why or why not?
2. Should “good faith effort” be defined? If yes, what should be the definition of “good faith effort”. *Note: Any definition should be objective and measurable.*
3. With the implementation of the alternative compliance approach, please explain why the “good faith effort” policy may still be necessary. Provide an example scenario.

LSA Response: No comment at this time.

Section 3. Definition of “Online”

1. The proposed definition of online is “the resource is delivering power to the grid and contracted to deliver by the specified compliance tranche date.” Other than Commercial Operations Date (COD), are there any other determinants that meet the proposed definition?

2. Can a resource receive a Commercial Operations for Market (COM) notice without ever receiving a COD notice? Please explain.

LSA Response: A resource should not be able to receive a COM designation without ever reaching COD. COM designations are currently awarded for the following purposes:

- Block implementation – the resource is bringing capacity on-line in portions. When the last portion reaches Commercial Operation, the project reaches COD. If portions of the project never reach Commercial Operation (i.e., if less than 95% of the project capacity is built), CAISO rules require the project to downsize, and the rest of the project would reach COD.
- Limited Operation Study or Intra-Cluster Prioritization “headroom” award – the resource has permission from CAISO to declare Commercial Operation before all PTO’s Interconnection Facilities or Reliability Network Upgrades are complete. Once those facilities are complete, the project achieves COD. Since these facilities have been identified as needed for reliability, either they (or some substitute) would eventually be built or, if the need for them was removed, at which time the resource would reach COD.

3. What modifications or upgrades can or should occur that would result in incremental capacity of a resource? Is there anything else other than physical modifications or upgrades that can result in an increase in a resource’s deliverability capabilities?

LSA Response: In addition to physical modifications or upgrades, allowing Energy Only (EO) resources to count toward the RA charging sufficiency requirement could also increase a resource’s deliverability capabilities. For example, if an LSE does not currently have sufficient deliverable energy in its portfolio to charge all of its standalone storage, and the CPUC changes the rules in the RA proceeding to allow EO resources to count toward charging sufficiency, then the LSE may be able to count more of its standalone storage toward RA and toward MTR or other reliability procurement targets.

4. When looking at how energy and storage resources can be paired, are there negative impacts to a resource having intermittent pairing with an energy resource that does not fully span the contract term of the storage? Explain.

LSA Response: The question seems to assume a situation where a storage resource is paired with solar, but only for a portion of the contract term. There are negative impacts for this type of project because of the RA charging sufficiency requirement. If the LSE does not have enough energy in its portfolio to charge the storage for the duration of its contract term, the storage may no longer qualify for RA, which would then make it ineligible for MTR or other reliability procurement targets. However, the storage resource could continue to

qualify as long as the LSE procures additional energy for the remainder of the storage contract.

Section 4. Capacity Factor

1. What engineering assessment calculation methods can be used by an LSE to demonstrate an 80% capacity factor? Explain specific calculation methods and how this would be demonstrated.
2. Should the 80% annual capacity factor requirement be determined by: (a) An average annual capacity factor of 80% across the entire term of the contract or (b) An annual capacity factor of 80% in at least the first year of a contract? Explain.
3. Should there be a different definition for capacity factor? Why?
4. Due to the Long Lead Time (LLT) requirement for the ratio of the actual amount of electrical power produced by a generating unit and the required continuous generation at full maximum discharge for 24 hours a day, 7 days a week, over a year, should there be a varied definition of capacity factor for LLT resources?

LSA Response: No comment at this time.

Section 5. Resource Delays

1. If a resource is delayed or contracted with a later online date and paired with a bridge or alternative compliance pathway, should the LSE get to apply the selected tranche Effective Load Carrying Capability (ELCC), or should they be required to use the later ELCC associated to the online date?

LSA Response: The original ELCC value should apply to delayed projects if the LSE can show that it used good-faith efforts to comply on time. Although the resource's later online date may be associated with a different, and potentially lower, ELCC value, the LSE should not be required to revalue the resource solely because the project was delayed after timely procurement. Applying the later ELCC value would effectively penalize an LSE that contracted on time for a viable resource and could discourage LSEs from pursuing the best available projects within the required procurement window. The Commission should instead preserve the original ELCC value for compliance purposes, even if doing so means that the LSE may receive slightly more compliance credit than it would have received had it first procured the resource for the later online date. This tradeoff is reasonable because it creates the right incentive for LSEs to procure viable resources in a timely manner, while

subsequent reliability studies can identify and address any incremental procurement needs created by delayed online dates or resulting under-procurement.

2. How should resource delay be defined? What evidence can be provided to prove a resource delay?

LSA Response: Resource delays should include delays caused by circumstances outside the developer's reasonable control, including transmission and interconnection delays, permitting and environmental review delays, regulatory or policy changes, utility or transmission-owner construction delays, supply chain constraints for critical equipment, force majeure events, third-party land or access approvals, and litigation or administrative appeals. To qualify, the developer should demonstrate that the project remains commercially viable and that it has exercised reasonable diligence to advance the project despite the delay. In the case of transmission-owner construction delays, the LSE should be responsible for making this demonstration.

3. If a resource is delayed and a long-term contract is not procured, how should the ELCC for the initial tranche be applied?

LSA Response: LSA assumes that this question is asking about a situation where an LSE backfills a delayed contract with a short-term contract. See response to Question 5.1 above. The earlier ELCC value should apply if the LSE can show that it made good faith efforts to comply on time.

4. Should the alternative compliance mechanism cure a deficiency gap for a resource that is contracted for a later date, or should the alternative compliance mechanism only close the gap if a resource was originally contracted for an earlier online date?
5. What documentation should be required to demonstrate a resource was originally intended for an earlier contract date other than an executed contract? Please explain.

LSA Response: Documentation could include the project's executed Large Generator Interconnection Agreement or updated Reassessment or Material Modification Assessment report (as applicable) to demonstrate the expected COD at the time the contract was executed.

6. If a resource is delayed, can an LSE negotiate language that requires the delivery period be extended to maintain a 10- year tenure?

LSA Response: No comment at this time.

Section 6. Issuance of Citations

1. Since citations are currently issued publicly, is there a reason that procurement citations should not include the following information: Citation Number, LSE, Date Notified, Date Issued, LSE CPUC ID, LSE Type, Specified Violation, Citation Amount, Pay Status, Appeal Status, Appeal Number? If yes, please explain.
2. Should citations be issued annually? Why or why not?
3. What timeframe should be implemented for issuance of procurement citations?

LSA Response: No comment at this time.

Section 7. Aligning Integrated Resource Planning (IRP), Resource Adequacy (RA), and Renewables Procurement Section (RPS)

1. Given that IRP, RA, and RPS have different goals and mandates, are there opportunities to align the three programs? Please explain.
2. What burdens need to be overcome to align IRP, RA, and RPS?
3. Are their stakeholder time constraints inherent in an effort to align IRP, RA, and RPS? Please explain.

LSA Response: No comment at this time.