STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Patrick Vanbeek
Commercial Energy of California
7677 Oakport Street, Suite 525
Oakland, CA 94621

CITATION FOR VIOLATION OF RESOURCE ADEQUACY (RA) REPORTING REQUIREMENTS UNDER RESOLUTION E-4195, AS MODIFIED BY DECISIONS 10-06-036, 11-06-022 AND 14-06-050

Citation No. E-4195-70 **Issued: October 29, 2019**

Re: November 2019 Month Ahead System Resource Adequacy Compliance Filing

Dear Mr. Patrick Vanbeek:

Pursuant to Resolution E-4195, subsequently modified by Decisions 10-06-036, 11-06-022 and 14-06-050, Commercial Energy of California is hereby cited for the following specified violation:

1. Failure to file Historic Load Data at the time and manner required.	☐
2. Failure to file a Preliminary Load Forecast at the time and manner required.	☐
3. Failure to file a Month-Ahead System Resource Adequacy Compliance Filing at the time and manner required.	☐
4. Failure to file a Preliminary Local Resource Adequacy Compliance Filing, or a Year-Ahead System Resource Adequacy Compliance Filing at the time and manner required.	☐
5. Failure to comply with a request for information from Energy Division that is reasonably related to implementation of the resource adequacy requirements in the time and manner required.	☐
6. Deficiency cured within five business days from the date of notification by Energy Division.	☐
7. Deficiency remedied after five business days from the date of Energy Division notification or not remedied at all.	☒

Evidence of Violation

A. Summary

Commercial Energy of California (Commercial Energy) failed to meet its November 2019 Month-Ahead ("MA") System Resource Adequacy ("RA") obligation. On July 3, 2019, Energy Division (ED) staff provided Commercial Energy their November 2019 Cost Allocation Mechanism (CAM)-Reliability Must Run (RMR) allocations. On August 16, 2019, Commercial Energy filed its November MA load forecast to the California Energy Commission (CEC) and California Public Utilities Commission (Commission). On September 17, 2019, Commercial Energy filed its November 2019 MA RA showing. On September 19, 2019, ED staff downloaded the California Independent Systems Operator's (CAISO) supply plan validations. On September 26, 2019, ED sent Commercial Energy a deficiency notice, indicating a need for 2.62 megawatts (MW) of System RA for November 2019, and to come into compliance by October 3, 2019. On October 1, 2019 ED staff downloaded CAISO's supply plan validations and confirmed that Commercial Energy has not cured its System RA deficiencies. This violation is for System RA deficiency remedied after five business days from the date of ED notification or not remedied at all for the month of November 2019.

Scheduled penalties prescribe a $6.66/kW-month for a System RA deficiency not remedied after five business days from the date of notification by ED. Accordingly, Commercial Energy is being cited $17,449.20 for its 2.62 MW of System RA deficiency for November 2019.

B. Commercial Energy of California's November 2019 MA RA Deficiency

On September 26, 2019, ED emailed Commercial Energy a deficiency notice. ED stated that Commercial Energy was deficient with its November 2019 MA System RA obligations. Commercial Energy has a November 2019 MA System RA requirement of [redacted]. Commercial Energy was confirmed for [redacted] and has a demand response (DR) allocation of [redacted] The deficiency notice was to procure 2.62 MW [redacted] of System RA and file with the CPUC by October 3, 2019. On October 1, 2019 ED staff downloaded CAISO's supply plan validations and confirmed that Commercial Energy has not cured its System RA deficiencies.

C. Scheduled Penalty for Commercial Energy of California's Deficiency

Resolution E-4195, as modified by Decisions 10-06-036, 11-06-022 and 14-06-050, specifies that the penalty for a System RA deficiency remedied after five business days from the date of ED notification or not remedied at all is $6.66/kW-month. Commercial Energy's total System RA deficiency for November 2019 is 2.62 MW. Accordingly, Commercial Energy is being cited $17,449.20 ((2.62 MW) x ($6.66/kW-month) x 1,000 kw/MW) for its 2.62 MW of System RA deficiency for November 2019.

You are hereby called upon to answer this citation within **30** days from the date of the citation by completing the attached form. By way of such answer you may either:

(1) Comply with this Citation and pay the fine, by check or money order, payable to the California Public Utilities Commission, in the amount of $17,449.20 pursuant to the Specified Violations and Scheduled Penalties (Decisions 10-06-036, 11-06-022 and 14-06-050). This will be deemed a waiver of your rights to a hearing and to a formal disposition by the Commission.

OR

(2) Appeal this citation. In such event, you must file a Notice of Appeal with the Commission's Docket Office within 30 days of the date of this citation, in addition to the appeals procedures outlined below.

The Notice of Appeal must be concurrently served on the delegate of Consumer Protection and Enforcement Division's (CPED's) Director at the following address:

CALIFORNIA PUBLIC UTILITIES COMMISSION
Consumer Protection and Enforcement Division
ATTN: Jeanette Lo, Utility Enforcement Branch Chief
505 Van Ness Avenue, Room 2205
San Francisco, CA 94102

The Notice of Appeal must also be served on the Chief Administrative Law Judge (with an electronic copy to: ALJ_Div_Appeals_Coordinator@cpuc.ca.gov). No later than seven business days after the Notice of Appeal is filed, Staff issuing the citation will file a Compliance Filing with the Commission's Docket Office which includes a complete copy

of the citation and all attachments. Appeals will be heard in the Commission's San Francisco courtrooms on regularly scheduled days. You may order a transcript of the hearing and must pay the cost of the transcript in accordance with the Commission's specified procedures. An attorney or other representative may represent you at the hearing, but any such representation will be at your expense.

If you fail to notify CPED of acceptance of the Scheduled Penalty and pay the full amount within 30 days or file a Notice of Appeal within 30 days, you will be in default. Upon default, CPED may take any action provided by law to recover unpaid penalties and ensure compliance with applicable statutes and Commission orders, decisions, rules, directions, demands, or requirements. Any unpaid balance of a Scheduled Penalty shall accrue interest at the legal rate of interest for judgments.

_____

Jeanette Lo
Utility Enforcement Branch Chief
Consumer Protection and Enforcement Division

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505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

☐ I hereby state that I will comply with Citation No. E-4195-70, dated October 29, 2019, and herewith pay a fine in the amount of $17,449.20.

- Please make check payable to the California Public Utilities Commission and send, along with a copy of this form, to:

CALIFORNIA PUBLIC UTILITIES COMMISSION
Fiscal Office
505 Van Ness Ave., Room 3000
San Francisco, CA 94102

- Please PDF a copy of this form to Stephanie Wu at [Stephanie.Wu@cpuc.ca.gov].
- You may direct all questions regarding this citation to Stephanie Wu at [415-696-7309] or [Stephanie.Wu@cpuc.ca.gov].

I hereby acknowledge that if I do not appeal the citation, and do not pay the full amount within 30 days, any unpaid balance shall accrue interest at the legal rate of interest for judgments, and Commission Staff and the Commission may take action provided by law to recover unpaid penalties and ensure compliance with applicable statutes and Commission orders, decisions, rules, directions, demands or requirements.

☐ I hereby appeal Citation No. E-4195-70, dated October 29, 2019.

- To appeal this citation, follow the directions described in this citation, and described in detail in Appendix A of Resolution ALJ-299 (both attached herein).
- Please PDF a copy of this form to Stephanie Wu at [Stephanie.Wu@cpuc.ca.gov].

Signature: _____

Name and Title: _____

Name of Company: _____

Citation No.: E-4195-70

Date: _____

EXPLANATION OF HOW TO APPEAL A CITATION

You (Respondent) may appeal the citation pursuant to the following process:

Appeal of Citation. In lieu of accepting the Scheduled Penalty, a Respondent may appeal the citation and request a hearing. In the event of an appeal, any remedy available may be imposed, and the remedy shall not be mandated by or limited to the Scheduled Penalty.

Notice of Appeal. To appeal a citation, the Respondent must file a written Notice of Appeal with the Commission's Docket Office. The Notice of Appeal must state the grounds for appeal, the date of the citation, and must be served on both the Chief Administrative Law Judge (with an electric copy to: ALJ_Div_Appeals_Coordinator@cpuc.ca.gov), and the Director of CPED, within thirty (30) days of the date of the citation. The appellant must file a proof of service at the same time appellant files the Notice of Appeal. The title page of the appeal must comply with Rule 1.6 of the Commission's Rules of Practice and Procedure. The caption of the appeal shall read: "Appeal of [party name] from [Citation ####] issued by [Commission Division which issued the citation]."

Compliance Filing. No later than seven business days after the notice of appeal is filed, Commission staff must file with the Commission's Docket Office a compliance filing which includes the complete citation, including all attachments, and simultaneously serve the Chief Judge (with an electronic copy to: ALJ_Div_Appeals_Coordinator@cpuc.ca.gov). Staff must also provide a proof of service when filing the compliance filing.

Service of Rules and Resolution. Staff shall provide a copy of Resolution ALJ-299 and the Rules adopted pursuant to that Resolution (Appendix A), with all citations issued.

Time of Hearing. No less than ten (10) days after the Notice of Appeal is filed, the assigned Administrative Law Judge shall set the matter for hearing promptly. The Administrative Law Judge, may, for good cause shown or upon agreement of the parties, grant a reasonable continuance of the hearing.

Location of Hearing. Appeals of citations shall be heard in the Commission's San Francisco courtroom on regularly scheduled days.

Exchange of Information. In order to expedite citation appeals and to eliminate potential delay, no later than three business days prior to the schedule hearing, the parties must exchange all information they intend to introduce into the record at the hearing which is not included in the citation and Compliance Filing already filed with the Commission, unless otherwise directed by the Judge.

Transcripts. The Respondent may order a transcript of the hearing and shall pay the cost of the transcript in accordance with the Commission's specified procedures.

Representation at Hearing. The Respondent may be represented at the hearing by an attorney or other representative, but any such representation shall be at the Respondent's expense.

Evidentiary Hearing. At an evidentiary hearing, CPED bears the burden of proof and, accordingly, shall open and close. The Administrative Law Judge may, in his or her discretion to better ascertain the truth, alter the order of presentation. Rule 13.6 of the Commission's Rules of Practice and Procedure provides the rules of evidence.

Interpreter. Upon a good faith showing of language difficulty and written request to the assigned Judge and Commission's Public Advisor's Office not less than five business days prior to date of hearing.

Submission. Ordinarily, the matter shall be submitted at the close of the hearing. The Administrative Law Judge, upon a showing of good cause, may keep the record open for a reasonable period to permit a party to submit additional evidence or argument.

Decision. The Administrative Law Judge will issue a draft resolution resolving the Citation Appeal expeditiously and no later than 60 days after the Citation Appeal is submitted. The draft resolution will be placed on the first available agenda consistent with the Commission's applicable rules.

Communications. From the date that a citation is issued to and including the date when the final order is issued, neither the Respondent nor CPED, or any agent or other person on behalf of the Respondent or CPED, may communicate regarding the appeal, orally or in writing, with a Commissioner, Commissioner's advisor, or Administrative Law Judge, except as expressly permitted under these procedures.

Rehearing. A resolution resolving a Citation Appeal approved by the Commission is subject to rehearing pursuant to Pub. Util. Code § 1731 and to judicial review pursuant to Pub. Util. Code § 1756.