STATE OF CALIFORNIA GAVIN NEWSOM, *Governor*

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298

Geoff Duda, CEO
Agera Energy, LLC (LAGRA)
555 Pleasantville Road, S107
Briarcliff Manor, New York 10510

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-4195-67 **Issued: October 1, 2019**

Re: August 2019 Month Ahead System Resource Adequacy Compliance Filing

Dear Mr. Geoff Duda:

Pursuant to Resolution E-4195, subsequently modified by Decisions 10-06-036, 11-06-022 and 14-06-050, Agera Energy, LLC 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

Agera Energy, LLC (LAGRA) failed to meet its August 2019 Month-Ahead (MA) System Resource Adequacy (RA) obligation. LAGRA also filed its August 2019 MA RA showing seven days late. On October 16, 2018, Energy Division (ED) published the 2019 RA filing due dates. On April 12, 2019, ED provided LAGRA their August 2019 Cost Allocation Mechanism (CAM)-Reliability Must Run (RMR) allocations. On May 17, 2019, ED provided LAGRA their revised August 2019 CAM-RMR allocations for NP-26. On May 20, 2019, LAGRA filed its August 2019 MA load forecast to the California Public Utilities Commission (CPUC or Commission) and the California Energy Commission (CEC). On June 24, 2019, LAGRA filed its August 2019 MA RA showing, seven days after the filing deadline of June 17, 2019. On June 24, 2019, ED downloaded and reviewed the California Independent System Operator's (CAISO) supply plan validations. On June 25, 2019, ED issued a deficiency notice to LAGRA, indicating a need for 0.87 megawatts (MW) of System RA and provided a revised filing deadline of July 2, 2019. On July 1, 2019, ED downloaded and reviewed the CAISO's supply plan to confirm that LAGRA has not cured its RA deficiency.[1]

LAGRA's total System RA deficiency for August 2019 is 0.87 MW. On February 25, 2019, the Commission issued citation E-4195-53 to LAGRA for failure to meet its 2019 Year-Ahead (YA) System and Flexible RA obligations.[2] Citation E-4195-53 includes a penalty for 1.87 MW of System RA deficiency for August 2019. Therefore, there is no incremental System RA deficiency for August 2019. This violation is for failure to file a MA System RA Compliance Filing at the time or the manner required.

Scheduled penalties prescribe a $1,000 per incident plus $500 per day for the first ten days the filing was late and $1,000 for each day thereafter for failure to file a MA System RA Compliance Filing at the time or in the manner required. The deadline for filing the August 2019 MA System RA Compliance Filing is June 17, 2019. However, LAGRA filed its August 2019 MA System RA Compliance Filing on June 24, 2019,

[1] CAISO locked supply plans in CIRA on July 2, 2019
[2] The Commission received payment for Citation E-4195-53 on March 21, 2019.

seven days after the deadline. Accordingly, LAGRA is being cited $4,500.00 ($1,000 + (7 days X $500/day)) for filing its August 2019 MA System RA Compliance Filing seven days late.

B. LAGRA's August 2019 MA RA Deficiency

On June 25, 2019, ED emailed LAGRA a deficiency notice. ED stated that LAGRA was deficient with their August 2019 MA System RA obligations. LAGRA had an August 2019 MA System RA requirement of 3.00 MW. LAGRA was confirmed for 2.00 MW and has a demand response (DR) allocation of 0.13 MW. The deficiency notice was to procure 0.87 MW (3.00 minus 2.00 minus 0.13) of System RA and file with the California Public Utilities Commission by July 2, 2019. On July 1, 2019, ED downloaded CAISO's supply plan validations and confirmed that LAGRA has not cured its deficiency.

The deadline for filing the August 2019 MA System RA Compliance Filing is June 17, 2019. However, LAGRA filed its August 2019 MA System RA Compliance Filing on June 24, 2019, seven days after the deadline.

C. Scheduled Penalty for LAGRA'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. LAGRA's total System RA deficiency for August 2019 is 0.87 MW. On February 25, 2019, the Commission issued citation E-4195-53 to LAGRA for failure to meet its 2019 YA System and Flexible RA obligations.[3] Citation E-4195-53 includes a penalty for 1.87 MW of System RA deficiency for August 2019. Therefore, there is no incremental System RA deficiency for August 2019.

The penalty for failure to file a MA System RA Compliance Filing at the time or in the manner required is $1,000 per incident plus $500 per day for the first ten days the filing was late and $1,000 for each day thereafter. The deadline for filing the August 2019 MA System RA Compliance Filing is June 17, 2019, but LARGA did not file until June 24, 2019, seven days after the deadline. Accordingly, LAGRA is being cited

[3] The Commission received payment for Citation E-4195-53 on March 21, 2019.

$4,500.00 ($1,000 per incident + (7 days X $500/day)) for filing its August 2019 MA System RA Compliance Filing seven days late.

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 $4,500.00 pursuant to the Specified Violations and Scheduled Penalties (D.11-06-022, Appendix B). 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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PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

☐ I hereby state that I will comply with Citation No. E-4195-67, dated October 1, 2019, and herewith pay a fine in the amount of $4,500.00

- 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 Stanley Lee at [stanley.lee@cpuc.ca.gov].
- You may direct all questions regarding this citation to Stanley Lee at [415-703-4420] or [stanley.lee@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-4195-67, dated October 1, 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 Stanley Lee at [stanley.lee@cpuc.ca.gov].

Signature: _____

Name and Title: _____

Name of Company: _____

Citation No.: E-4195-67

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.