

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



Jeremy Clark  
Central Coast Community Energy  
70 Garden Court, Suite 300  
Monterey, CA 93940

**CITATION FOR VIOLATION OF RESOURCE ADEQUACY (RA) REPORTING  
REQUIREMENTS UNDER RESOLUTION E-4195, AS MODIFIED  
BY DECISION (D.)10-06-036, D.11-06-022, D.14-06-050, D.19-06-026, AND  
D.20-06-031**

**Citation No. E-4195-0114**

**Issued: April 8, 2022**

**Re: 2022 Year Ahead System Resource Adequacy Compliance Filing**

Dear Mr. Jeremy Clark:

Pursuant to Resolution E-4195, subsequently modified by Decisions (D.) 10-06-036, D.11-06-022, D.14-06-050, D.19-06-026, and D.20-06-031, Central Coast Community Energy is hereby cited for the following specified violation:

1. Failure to file Historic Load Data at the time and manner required.	<input type="checkbox"/>
2. Failure to file a Preliminary Load Forecast at the time and manner required.	<input type="checkbox"/>
3. Failure to file a Month-Ahead System Resource Adequacy Compliance Filing at the time and manner required.	<input type="checkbox"/>
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.	<input type="checkbox"/>
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.	<input type="checkbox"/>
6. Deficiency cured within five business days from the date of notification by Energy Division.	<input type="checkbox"/>
7. Deficiency remedied after five business days from the date of Energy Division notification or not remedied at all.	<input checked="" type="checkbox"/>

**Evidence of Violation**

**A. Summary**

Central Coast Community Energy (3CE) failed to meet its 2022 Year Ahead (YA) Resource Adequacy (RA) obligations. On September 23, 2021, the California Public Utilities Commission’s (CPUC or Commission) Energy Division (ED) staff provided 3CE with its 2022 YA RA allocations. On November 1, 2021, 3CE filed its 2022 YA RA compliance showing. On November 18, 2021, 3CE filed its revised 2022 YA RA compliance showing. On February 4, 2022, ED ran internal validation to assess the deficiency. On February 10, 2022, ED issued a deficiency notice to 3CE for deficiencies in its 2022 YA System RA compliance filing, indicating a need to procure 233.77 megawatts (MW) of System RA for September 2022, and provided a deadline of February 17, 2022 for 3CE to come into compliance.

On March 22, 2022, Utilities Enforcement Branch (UEB) staff requested an update from 3CE on its 2022 YA System RA deficiencies. On March 29, 2022, 3CE informed UEB it was unable to cure the deficiency for September 2022.

Table 1 provides a detailed summary of 3CE’s System RA obligation and compliance for September 2022.

<b>Table 1: Summary of Central Coast Community Energy’s System RA Obligations and Compliance (MW)</b>			
<b>Month</b>	<b>Allocation for System RA Requirement</b>	<b>Total System RA Resources Procured</b>	<b>Deficiency in System RA Requirement</b>
September	██████	██████	<b>233.77</b>

This violation is for a System RA deficiency System RA deficiency remedied after five business days from the date of ED’s notification or not remedied at all for the month of September 2022.

Scheduled penalties prescribe an \$8.88/kW-month in summer months (May through October) and \$4.44/kW-month in non-summer months for a System RA remedied after five business days from the date of notification by ED or not remedied at

all.<sup>1</sup> Accordingly, 3CE is being cited \$2,075,877.60 for its 233.77 MW of System RA deficiency for September 2022 System RA deficiency remedied after five business days from the date of ED's notification or not remedied at all.

**B. Central Coast Community Energy's Year Ahead 2022 Resource Adequacy Deficiency**

On February 10, 2022, ED emailed 3CE a deficiency notice. ED stated that 3CE was deficient with its September 2022 System RA obligations. 3CE had a September YA System capacity requirement of [REDACTED]. 3CE procured [REDACTED] of total System RA for September. The deficiency notice was to procure 233.77 MW [REDACTED] of System RA for September 2022 and provided a deadline of February 17, 2022 for 3CE to come into compliance.

3CE did not provide a revised filing to ED. On March 22, 2022, UEB staff informed 3CE that the February 17, 2022 deadline provided in ED's deficiency notice has passed and the Commission did not receive any information from 3CE. UEB provided 3CE a deadline of March 29, 2022 to confirm its 2022 YA RA deficiency by the February 17, 2022 deadline. On March 29, 2022, 3CE informed UEB it was unable to cure the deficiency for September 2022.

**C. Scheduled Penalty for Central Coast Community Energy's Deficiency**

Resolution E-4195, as modified by D.10-06-036, D.11-06-022, D.14-06-050, D.19-06-026, and D.20-06-031, specifies that penalties for System RA deficiency remedied after five business days from the date of notification by ED or not remedied at all is \$8.88/kW-month in summer months (May through October).<sup>2</sup> Accordingly, 3CE is being cited \$2,075,877.60 (233.77 MW x (\$8.88/kW-month) x 1,000kW/MW) for its 233.77 MW of September System RA deficiency remedied after five business days from the date of ED's notification or not remedied at all.

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<sup>1</sup> D.20-06-031, Ordering Paragraph 20, p. 96

<sup>2</sup> D.20-06-031, Ordering Paragraph 20, p. 96

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 \$2,075,877.60 pursuant to the Specified Violations and Scheduled Penalties (Resolution E-4195, subsequently modified by D.10-06-036, D.11-06-022, D.14-06-050, D.19-06-026, and D.20-06-031). 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) 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 2004  
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](mailto:ALJ_Div_Appeals_Coordinator@cpuc.ca.gov)). No later than 14 calendar 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.



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Jeanette Lo  
Utility Enforcement Branch Chief  
Consumer Protection and Enforcement Division

PUBLIC UTILITIES COMMISSION  
505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



I hereby state that I will comply with Citation No. E-4195-0114, dated April 8, 2022, and herewith pay a fine in the amount of \$2,075,877.60.

- 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 Donovan Tan at [Donovan.Tan@cpuc.ca.gov].
- You may direct all questions regarding this citation to Donovan Tan at [213-999-8478] or [Donovan.Tan@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-4195-0114, dated April 8, 2021.

- To appeal this citation, follow the directions described in this citation, and described in detail in Appendix A of Resolution ALJ-377 (both attached herein).
- Please PDF a copy of this form to Donovan Tan at [Donovan.Tan@cpuc.ca.gov].

Signature: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Name of Company: \_\_\_\_\_

Citation No.: E-4195-0114

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](mailto: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 14 calendar 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](mailto: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-377 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 scheduled 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.