

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Jocelyn Gwynn
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501

**CITATION FOR VIOLATION OF RESOURCE ADEQUACY (RA) REPORTING
REQUIREMENTS UNDER RESOLUTION E-4195, AS MODIFIED BY
DECISIONS (D.) 10-06-036, D.11-06-022, D.14-06-050, D.19-06-026,
D.20-06-031, D.21-06-029, D.22-06-050, AND D.23-06-029**

Citation No. E-4195-0150

Issued: October 27, 2023

Re: September 2023 Month-Ahead System Resource Adequacy Compliance Filing

Dear Ms. Jocelyn Gwynn:

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, D.20-06-031, D.21-06-029, D.22-06-050, and D.23-06-029, Redwood Coast Energy Authority 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/Adjusted 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

Redwood Coast Energy Authority (RCEA) failed to meet its September 2023 Month-Ahead (MA) System Resource Adequacy (RA). On April 7, 2023, the California Public Utilities Commission’s (CPUC or Commission) Energy Division (ED) staff provided RCEA its September 2023 Cost Allocation Mechanism (CAM)-Reliability Must Run (RMR) allocations. On April 13, 2023, ED staff provided RCEA its revised September 2023 CAM-RMR allocations. On June 19, 2023, RCEA notified ED there were no changes to its September 2023 MA load forecast. On July 18, 2023, RCEA filed its September 2023 MA RA showing. On July 23, 2023, ED staff downloaded the California Independent System Operator’s (CASIO) supply plan validations. On July 26, 2023, ED staff sent RCEA a deficiency notice indicating a need for 13.96 megawatts (MW) of System RA and provided a deadline of August 2, 2023 for RCEA to come into compliance. On July 31, 2023, RCEA filed its revised September 2023 RA showing to update resource [REDACTED] from flexible category [REDACTED] to flexible category [REDACTED] only. On August 3, 2023, ED staff downloaded CAISO’s supply plan validations and confirmed that RCEA had not cured its September 2023 RA deficiency.

On August 31, 2023, Utilities Enforcement Branch (UEB) staff requested confirmation from RCEA that the deficiencies listed in ED’s July 26, 2023 deficiency notice are correct. UEB staff also provided RCEA a deadline of September 7, 2023 to provide documents demonstrating it cured its September 2023 MA System RA deficiency by the deadline provided by ED. RCEA did not respond to UEB staff’s request to confirm its September 2023 System RA deficiency.

Table 1 provides a detailed summary of RCEA’s System RA obligation and compliance for September 2023.

Table 1: Summary of RCEA’s System RA Obligations and Compliance (MW)			
Month	Allocation for System RA Requirement	Total System RA Resources Procured	Deficiency in System RA Requirement
September	[REDACTED]	[REDACTED]	13.96¹

¹ RCEA has a demand response allocation of [REDACTED].

This violation is for 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 2023.

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 deficiency remedied after five business days from the date of notification by ED or not remedied at all.² Accordingly, RCEA is being cited \$123,964.80 for its 13.96 MW ([REDACTED]) of 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 2023.

B. Redwood Coast Energy Authority's September 2023 Month-Ahead System Resource Adequacy Deficiency

On July 26, 2023, ED emailed RCEA a deficiency notice. ED stated that RCEA was deficient with its September 2023 System RA obligations. RCEA has a September 2023 MA System RA requirement of [REDACTED] and is confirmed for [REDACTED]. RCEA also has a demand response (DR) allocation of [REDACTED]. Therefore, RCEA has a deficiency of 13.96 MW ([REDACTED]) of System RA for September 2023. ED's deficiency notice provided a deadline of August 2, 2023 for RCEA to come into compliance. On July 31, 2023, RCEA filed its revised September 2023 RA showing to update resource [REDACTED] from flexible category [REDACTED] to flexible category [REDACTED] only. On August 3, 2023, ED staff downloaded CAISO's supply plan validations and confirmed that RCEA had not cured its September 2023 RA deficiency.

On August 31, 2023, UEB staff requested confirmation from RCEA that the deficiencies listed in ED's July 26, 2023 deficiency notice are correct. UEB staff also provided RCEA a deadline of September 7, 2023 to provide documents demonstrating it cured its September 2023 MA System RA deficiency by the deadline provided by ED. RCEA did not respond to UEB staff's request to confirm its September 2023 System RA deficiency.

C. Points Accrued for Violation of RA Reporting Requirements

² D.20-06-031, OP 20, p. 96

D.21-06-029, subsequently modified by D.23-06-029, adopted a tiered penalty structure for System RA deficiencies to add to the current penalty structure.³ Tables 2 and 3 summarize the points and tiered penalty amounts.

Table 2: Points for System RA Deficiency	
Months	Points for Each Instance of System RA Deficiency
Non-Summer (November – April)	1
Summer (May – October)	2

Table 3: Tiered System RA Penalty Price		
Tier	Accrued Points	System RA Penalty Price
1	0-5	Applicable system RA penalty price
2	6-10	2x the applicable system RA penalty price
3	11+	3x the applicable system RA penalty price

D.21-06-029 specifies that if a load-serving entity’s (LSE) deficiency is less than 1% of the LSE’s System RA requirement, no points will be accrued. Points shall only be accrued for month-ahead deficiencies, not year-ahead deficiencies. Points shall expire 24 months after the violation. Accrued points within an RA compliance year shall be carried over to the next RA compliance year. The provider of last resort shall not accrue points for a deficiency resulting from unexpected load returns for which a system RA waiver is granted. This structure is effective for the 2023 RA compliance year.

Accordingly, RCEA accrued two points for its 13.96 MW of System RA deficiency in September 2023 cured after five business days from the date of notification by ED or not remedied at all. The points related to the September 2023 deficiency will expire in 24 months after the violation. Table 4 provides a summary of RCEA’s total points accrued to date.

³ D.21-06-029, OP 16, p. 79.

Table 4: Summary of RCEA's Total Points Accrued		
Compliance Month	Points Accrued	Expiration (Compliance Month)
August 2023	2	August 2025
September 2023	2	September 2025

D. Scheduled Penalty for Redwood Coast Energy Authority's Deficiency

Resolution E-4195, as modified by D.10-06-036, D.11-06-022, D.14-06-050, D.19-06-026, D.20-06-031, D.21-06-029, D.22-06-050, and D.23-06-029 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.⁴ Accordingly, RCEA is being cited \$123,964.80 (13.96 MW x (\$8.88/kW-month) x 1,000kW/MW) for its 13.96 MW System RA deficiency for September 2023. The total penalty for September 2023 System RA deficiency for September 2023 is \$123,964.80.

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 \$123,964.80 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, D.20-06-031, D.21-06-029, D.22-06-050, and D.23-06-029). 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

⁴ D.20-06-031, OP 20, p. 96

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). 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.



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-4195-0150, dated October 27, 2023 and herewith pay a fine in the amount of \$123,964.80.

- 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 Bernice Zhu at [Bernice.Zhu@cpuc.ca.gov].
- You may direct all questions regarding this citation to Bernice Zhu at [415-471-9207] or [Bernice.Zhu@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-4195-0150, dated October 27, 2023.

- 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 Bernice Zhu at [Bernice.Zhu@cpuc.ca.gov].

Signature: _____

Name and Title: _____

Name of Company: _____

Citation No.: E-4195-0150

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 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). 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.