

Stakeholder Comments Template

Subject: Regional Resource Adequacy Initiative

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This template has been created for submission of stakeholder comments on the Third Revised Straw Proposal for the Regional Resource Adequacy initiative that was posted on September 29, 2016. Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **October 27, 2016**.

Please provide feedback on the Regional RA Third Revised Straw Proposal below.

The ISO is especially interested in receiving feedback that indicates if your organization supports particular aspects of the proposal. Alternatively, if your organization does not support particular aspects of the proposal, please indicate why your organization does not support those aspects.

Alternatives Methodologies for Counting Wind and Solar Should Be Used if the ELCC Methodology is Not Ready For Regional ISO “Go-Live”

AWEA, Interwest, and Renewable Northwest appreciate all the work that has been done on Regional RA and especially appreciate the ISO’s recognition that the Effective Load carrying Capability (ELCC) methodology is the best methodology for use as the uniform counting methodology for wind and solar. Furthermore, it is a positive step that the ISO has indicated its willingness to consider use of ELCC for other technologies, in the future, once experience is gained with the ELCC methodology, including its inputs, and assumptions. Despite these positive aspects of the latest proposal, the ISO should develop a better “backup” or “alternative” methodology if the ELCC method is not fully developed in time for a regional ISO to “go-live.”

AWEA, Interwest, and Renewable Northwest recognize that developing the details of an ELCC methodology that meets the broad region’s needs will take time and appreciate that the ISO will

hold a separate stakeholder initiative to work through these details. However, AWEA, Interwest, and Renewable Northwest do **not** support the CAISO’s “fallback” position of using the Exceedance methodology for counting RA capacity for wind and solar, if ELCC cannot be sufficiently developed in time for a new entity to join the ISO. The ISO should move away from the Exceedance methodology just as the California Public Utility Commission is doing. Continued reliance on the Exceedance methodology within the ISO may cause great confusion and may have far reaching unintended consequences resulting from the CPUC’s use of ELCC, while a regional ISO may still be using Exceedance. Reverting back to the Exceedance methodology within the regional ISO, even for a short time, would like have many unintended consequences and should be removed from the ISO’s Regional RA proposal.

First and foremost, the ISO should make every effort to finalize the ELCC methodology details in time for a regional ISO to “go-live” with its first regional participant. But, in the event that the ISO simply cannot develop those details in time, it should adopt the “ELCC approximation” methodology as the fallback position for counting the RA capacity of wind and solar. The ISO can find additional information on the ELCC approximation methodology in several reports from the National Renewable Energy Laboratory (NREL).¹ The ELCC approximation does not require iterative calculation of Loss of Load Expectation (LOLE), but instead uses a risk function to compare the LOLE of the system (which the ISO will already be calculating for other Regional RA purposes) to the excess generation capacity. Since the ISO is proposing to perform a LOLE study anyway, the necessary information should be available to use the ELCC approximation methodology as a backstop. The ELCC methodology will be a superior “fallback” to Exceedance and will help provide a smoother transition for all parties, as the ISO ultimately intends to implement a full ELCC methodology.

The ISO Must Set a Date Certain By Which the ELCC Methodology will Be Fully Developed and Implemented

RA requirements are a critical component of a regional ISO. If properly implemented they will be a meaningful component of reducing GHG emissions across the ISO’s footprint, while maintaining high levels of system reliability. Properly implementing RA requirements includes using the best RA counting methodology available, such as ELCC. Therefore, even using the ELCC approximation methodology as a backstop, as we support above, the ISO should include a “drop dead” date by which it will establish a full ELCC methodology. For instance, the ISO should include in its final proposal, that the ELCC methodology will be finalized no later than one year after a regional ISO “goes-live.” This will ensure that the ELCC methodology does not get indefinitely postponed and significantly delayed as other initiatives arise at the ISO.

Support Giving Primary Authority for the System Wide Planning Reserve Margin to the Western States Committee

Within the Third Revised Regional RA Proposal and the recently posted “Potential Topics within the Primary Authority of the Western States Committee (WSC)”, it is made clear that the WSC

¹ See, for instance, discussions on Garver’s Approximation Methodology in: *Comparison of Capacity Value Methods for Photovoltaics in the Western United States*, NREL, July 2012, available at: <http://www.nrel.gov/docs/fy12osti/54704.pdf>.

will be provided with primary authority over the system-wide Planning Reserve Margin (PRM). AWEA, Interwest, and Renewable Northwest support providing the WSC with primary authority in this area. The system-wide PRM may have cost impacts to utilities across the region, and this area will be a critical area to establish for state support.