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Comments to the Straw Proposal on Generation Deliverability Assessment

Avangrid Renewables appreciates the opportunity to comment on the on the CAISO Generation Deliverability Assessment Straw Proposal.

Avangrid Renewables supports the proposed changes to the deliverability methodology that will better align with the timing of critical system need and the CPUC's ELCC methodology. The existing deliverability assessment is overly conservative and is not reflective of current grid requirements. Avangrid Renewables recommends that modifications to the deliverability assessment be implemented as soon as possible and not be delayed if more discussions are ultimately needed to address curtailment concerns.

Avangrid Renewables is not opposed to moving forward with modifying the deliverability methodology in tandem with a solution to address the increased risk of renewable generation curtailment. Either Option 4 or Option 5 as proposed by the CAISO could be feasible alternatives with some modifications.

Avangrid Renewables outlines the following concerns and recommendations to the CAISO specific to these proposals:

- While the funding of off-peak or OPDS upgrades will be optional in the CAISO's interconnection process, it is likely that off takers will require the funding of these upgrades in contracts if Option 4 or especially Option 5 is adopted. Avangrid Renewables is not opposed to this requirement being shifted from the CAISO's interconnection process to the commercial side of the business. Ultimately, under Option 5 as currently proposed, it is likely that development projects would all end up with the same curtailment priority unless they elect to be energy only.
- Based on available data on the CAISO's website, it appears that CAISO engages in uneconomic adjustments infrequently. The CAISO has curtailed 5, 851 MWHs of self-schedules to address local congestion year to date as compared to 386,345 MWHs local economic and 319,083 system economic. Going forward the market should provide incentives for resources to economically bid and move away from self-scheduling to the fullest extent possible so one would hope that the need for the CAISO to curtail self-schedules should decrease over time. That being said, it is unclear how much value the OPDS curtailment priority would really offer and whether it could create adverse incentives.
- It seems flawed that new projects that have FCDS would have a lower curtailment priority than those that choose to fund additional OPDS upgrades considering that the OPDS upgrades will be small and not critical for deliverability.

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- It is unclear why Option 4 does not allow upgrades to be fully funded but Option 5 does.
- Under Option 4 and 5 developers must make an election to fund upgrades before costs are known.

Considering the concerns described above, Avangrid proposes the following modifications to the proposals for consideration by the CAISO:

- Adopt Option 4 and allow local network upgrades to be optional but fully funded. There would be no OPDS priority status. This is Avangrid Renewables preferred approach and would be the most effective in encouraging the correct market behavior and investments to mitigate curtailment.
- Adopt Option 5 but allow FCDS projects to have curtailment priority in peak-hours and OPDS to have priority in off-peak hours. Only energy only projects would have a lower curtailment priority in all hours.
- Lastly, under either Option 4 or 5 developers must be offered the flexibility to make a decision to fund optional upgrades after they have a reasonable estimate of costs.