

## **BAMx Comments on the California ISO (CAISO) 2020 and 2024 Draft Local Capacity Requirements**

The Bay Area Municipal Transmission group (BAMx)<sup>1</sup> appreciates the opportunity to comment on the CAISO 2020 and 2024 Draft Local Capacity Requirements (LCR) study results discussed during the March 14, 2019 stakeholder meeting. We continue to see positive enhancements to each year's LCR results and look forward to continuing to work with the CAISO to improve and refine the process.

### **Support CAISO's Efforts to Use Non-transmission Mitigation Measures to Reduce LCR**

BAMx appreciates the CAISO's efforts to provide mitigations to reduce LCR needs. In particular, we noticed that Sierra subarea (South of Rio Oso) shows LCR Reduction in year 2024 not only due to new transmission, but also due to generation adjustments after the first contingency that determines the LCR for the Category C contingency.<sup>2</sup> Furthermore, in the LA Basin and San Diego areas, preferred resources (bulk energy storage, energy efficiency, and 20-minute demand response) were utilized for overlapping contingencies.<sup>3</sup> Separately, a combination of an operating procedure and LA Basin generation are utilized to mitigate a potential deficiency for the San Diego-Imperial Valley LCR area.<sup>4</sup> BAMx encourages the CAISO to continue to explore methods to reduce LCR needs that do not require major capital additions.

### **Need to Continue to Report "Deficiency" Calculations**

During the March 14<sup>th</sup> stakeholder meeting, the CAISO proposed to eliminate the "Deficiency" calculation while reporting the LCR findings.<sup>5</sup> The CAISO cites the confusion that the deficiency calculation may create based on whether it is calculated vs. available net qualifying capacity (NQC) or vs. available resources at the time of peak – this is one of the primary reasons to eliminate the deficiency reporting. Despite this confusion, we strongly encourage the CAISO to continue to report the "Deficiency" amounts. We instead suggest that the CAISO produce these amounts both vs. available NQC and vs. available resources at the time of peak similar to how such results were presented for the Kern area during the March 24<sup>th</sup> meeting.<sup>6</sup> We also suggest that CAISO includes a caveat to these results that the reported Deficiency amounts are estimated by using the most effective resource so that the stakeholders can appropriately interpret and understand these findings. The CAISO indicates that reporting the LCR deficiencies has not, in the past, encouraged the deployment of new resources in the LCR-deficient areas. BAMx does not believe that this is a sufficient reason to not report such deficiencies. BAMx suggests the CAISO, in the interest of transparency, to provide more information (as opposed to less information) on reporting LCR deficiency amounts.

---

<sup>1</sup> BAMx consists of City of Palo Alto Utilities and City of Santa Clara, Silicon Valley Power.

<sup>2</sup> 2020 & 2024 Draft LCR Study Results Sierra Area, slide #12, March 14, 2019.

<sup>3</sup> 2020 & 2024 Draft LCR Study Results for LA Basin and San Diego-Imperial Valley Areas, page 5, March 14, 2019.

<sup>4</sup> *Ibid*, page 25.

<sup>5</sup> 2020 & 24 Draft LCR Study Results Summary of Findings, slide #8, March 14, 2019.

<sup>6</sup> 2020 & 2024 Draft LCR Study Draft Results Kern Area, slide #9, March 14, 2019.

BAMx appreciates the opportunity to comment on the CAISO 2020 and 2024 Draft LCR study results. We hope to work with the CAISO staff to continue to improve and enhance its capabilities.

If you have any questions concerning these comments, please contact Moisés Melgoza ([mmelgoza@svpower.com](mailto:mmelgoza@svpower.com) or (408) 615-6656).