

## Stakeholder Comments Template

### Subject: Regional Resource Adequacy Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Straw Proposal for the Regional Resource Adequacy initiative that was posted on February 23, 2016. Upon completion of this template please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **March 16, 2016**.

As stated in the BAMx comments on the Regional Resource Adequacy Initiative Issue Paper, BAMx views the Straw Proposal with three primary objectives:

1. **Minimize adjustments to the existing RA program.** Changes should focus on those necessary for regionalization. Other changes should be addressed in separate stakeholder processes.
2. **Any adjustments to the program should not cause an existing Load Serving Entity (LSE) that is currently compliant with the CAISO's RA requirements to become non-compliant** or have to modify its resource portfolio to become compliant.
3. **If a LRA chooses to adopt a different reliability margin than the CAISO Tariff default, the consequences of such a choice, positive or negative, should rest with the LSEs subject to the LRA's jurisdiction.**

Please provide feedback on the Regional RA Straw Proposal topics:

#### 1. Load Forecasting

BAMx understands that the load forecasts prepared by the Regional ISO through allocation of the individual LRA/LSE forecasts will be limited to a forecast for the year ahead. BAMx supports such a limitation in the forecast horizon so as to limit the potential for disagreements. In the event that there is still a disagreement in the load forecast, the Straw Proposal needs to identify the resolution process. BAMx is

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

concerned that in the event of such a disagreement, there should be a forum not controlled by the ISO where such appeals may be presented.

The Straw Proposal states the following.

“The ISO proposes that the coincident system load forecast for an expanded BAA would be created each year by the ISO based on load forecast data created by and submitted by LSEs. The ISO is not proposing to change the manner in which load forecasts are developed for LSEs, and envisions that existing methods and arrangements would continue to be used.”

How does the CAISO plan to reconcile different load forecasting methodologies while determining the coincident system load forecast? We understand that the PacifiCorp calculates its PRM applying energy efficiency values in a different method than California.

2. Maximum Import Capability Methodology

No comment at this time.

3. Internal RA Transfer Capability Constraints

While BAMx appreciates the need to reflect internal transmission constraints in the resource counting, we are concerned about the proposal for allocating this RA counting capacity. The Straw Paper identifies that:

“The ISO will determine every year the capability in each direction for these internal constraints and then provide base line allocations to LSEs on each constrained transmission path based upon pro rata load ratio share at the ISO coincident peak. Part of this baseline allocation calculation is to protect entities existing ETCs, TORs and Pre-RA Commitments (contracts).”

It was clarified during the stakeholder meeting that the allocation would be limited to those LSEs whose load could be served in the direction of the allocation. While this is helpful, BAMx is still concerned that the proposal could still result in some LSE’s existing RA resources isolated by the proposed allocation process. For example, capacity on Path 26 would not only be allocated to current northern California LSEs, but would also be potentially allocated to all LSEs in the PAC footprint. Similarly, the majority of RA counting transmission capacity on PAC’s west-to-east transmission<sup>2</sup> would be allocated to California entities. This would result in a reduction in the current allocations and potentially isolated RA resources. One possible mitigation option would be to allocate the RA counting capacity only to those LSE that are paying for the facilities in their TAC charges. If the TAC

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<sup>2</sup> This could include, for example, major WECC paths such as Path 17 Borah West (PAC contract capacity), Path 19 Bridger West and Path 75 Hemingway-Summer Lake

charges are widely allocated for existing facilities such that there may still be potential for a LSE's existing RA capacity to be isolated, then the grandfathering of current allocations that support identified RA resources would be a solution.

BAMx supports the CAISO's proposal allow netting of RA contracts across Internal RA Transfer Capability Constraints before the application of the limitation to those willing to participate in the netting process.

4. Allocation of RA Requirements to LRAs/LSEs  
No comment at this time.
5. Updating ISO Tariff Language to be More Generic  
No comment at this time.
6. Reliability Assessment
  - a. Planning Reserve Margin for Reliability Assessment  
BAMx is concerned that the ISO's stakeholder process to determine a system PRM will effectively displace the existing LRAs' processes. The selection of a PRM involves many portfolio specific considerations such as the resource technology, past performance, load shape, etc. While the Straw Proposal states that the system-wide PRM will not ascribe a fixed PRM to any individual LSE, this may be the result nonetheless.
  - b. Resource Counting Methodologies for Reliability Assessment  
The Straw Proposal would have the Regional ISO develop resource counting methodologies based upon the Regional ISO's composite coincident peak load. Such a counting methodology should not result in any LSE's portfolio that is sufficient to meet the PRM for its load individually to become inadequate to meet its share of the composite coincident peak load.
  - c. ISO Backstop Procurement Authority for Reliability Assessment  
BAMx supports the general concept that backstop procurement costs would be allocated to those entities that are resource deficient when the Regional ISO is also resource deficient in the aggregate. However, more information is needed on the details of the backstop procurement cost calculation methodology. In particular, if all the LSEs have sufficient resources to meet their LRA PRM requirement and there is still a shortfall, how would the cost of any backstop procurement be allocated?
7. Other