Stakeholder Comments Template

Subject: Regional Resource Adequacy Initiative – Load Forecasting Working Group, June 22, 2016

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on Load Forecasting Working Group for the Regional Resource Adequacy initiative that was held on June 22, 2016. Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **July 12, 2016.**

Please provide feedback on the Regional RA Load Forecasting Working Group:

1. Current Load Forecasting Capabilities and Practices:

    a. Please provide comments and any additional information that you wish to share in order to describe your organization's current load forecasting practices and capabilities in order for the ISO and other stakeholders to understand the differences in current practices amongst LSEs.

    CLECA does not engage in load forecasting and has no response here, other than to express sympathy for the challenges to providing hourly forecasts by entities, like CDWR, that are moving water in response to numerous external constraints, such as water availability, water allocations, variations in pumping load requirements, etc. As for monthly forecasts, in the context of entities like CDWR, any forecasting should be done when relevant information is more available which would be in the spring, once rainfall levels and water allocations are known. At any other time of the year, any forecasts would be highly speculative.

b. Do you believe that your organization could support an hourly load forecasting proposal as previously described in the ISO's Second Revised Straw Proposal?

CLECA has no response at this time.

2. Coincident Peak Forecasting Methodology Options

If the ISO proposed to require LSE specific forecasts for only the 12 monthly peaks, there would be a need to adjust individual forecasts to determine the coincidence peak contribution in order to capture the benefits of load diversity. In order to determine the annual and monthly RA requirements for individual LSEs and recognize the benefit of load diversity in an expanded BAA the ISO is considering some options and requests stakeholder feedback on the following options:

a. Option 1) Allowing individual LSEs (or local/state forecasting agencies, including the CEC for California LSEs) to have the ability to provide both their Non Coincident Forecasts (no coincidence adjustment) and Coincident Peak Forecasts to the ISO (no ISO specified Coincidence Factor methodology, LSEs can utilize coincidence forecast calculation method suited for their needs individually, and this option is still subject to ISO coincidence method guidelines that would be provided, as well as ISO review).

i. Please indicate if your organization supports or opposes an approach of providing flexibility in the coincidence forecasting methodologies.

CLECA believes that where there is a state or local forecasting agency that performs load forecasting, that should be the default for load forecasts, both for Non Coincident Forecasts and Coincident Peak Forecasts. For California IOUs, the CEC is responsible for electricity load forecasting and also develops the coincidence factors working with the CPUC. If parties do not agree with the CEC's methodology, at least they have the opportunity, in the context of the CPUC resource adequacy proceedings, to propose alternative methodologies. Deferring to state/local agencies is not the same as flexibility per se, unless the CAISO means by flexibility that the determination is not made by the CAISO.

ii. Also, if your organization would support or oppose this approach, please describe why this option is preferable or not to your organization.

As noted above, there is an opportunity for customer representatives, and others, to provide input on the coincidence factors developed by the CEC for the CPUC. Over

time, these have evolved, for example, to take into account the different load shapes of different LSEs, which was a decided improvement over the use of load ratio shares. CLECA supports allowing this process to continue to develop forecasts of Non Coincident and Coincident Peak load. The CAISO should develop a process that allows forecasts submitted to the CEC from LSEs, as adjusted for resource adequacy purposes, to be used.

b. Option 2) Requiring individual LSEs (or local/state forecasting agencies, including the CEC for California LSEs) to have the ability to only provide their Non Coincident Forecasts (no coincidence adjustment) and the ISO would apply a specified Coincidence Factor formula to all individual LSE load forecast submittals uniformly in order to determine the Coincidence Peak forecasts for individual LSEs (ISO specified Coincident Factor methodology with actual formula to be determined through this stakeholder process).

    i. Please indicate if your organization supports or opposes an approach of the ISO utilizing a predetermined coincidence factor methodology.

CLECA is concerned that while the CAISO routinely does very short-term load forecasting, this is very different from longer-term forecasting, such as for monthly or annual loads. The CAISO would have to develop this expertise. Furthermore, at this point we do not know what approach the CAISO would take to developing coincidence factors and whether this would be consistent with the CEC/CPUC approach or not. Lack of consistency would be problematic for California LSEs. The CAISO's discussion of using historical averaged data to forecast load and peaks raises concerns about the impact of increasing levels of distributed resources that are steadily changing LSE load shapes and cannot be reflected well by historical data. CLECA is also concerned as to how the CAISO would address weather normalization, since it was not discussed in the CAISO's presentation.

    ii. Also, if your organization would support or oppose this approach, please describe why this option is preferable or not to your organization.

CLECA does not believe that this approach is sufficiently well-developed to have an opinion. However, CLECA's preference is for the first proposal for the reasons stated above.

c. If your organization does not support any of these potential options and believes there are other possible proposals that the ISO should consider please provide a detailed description of an alternative approach.

3. Please provide any additional comments on the load forecasting working group and proposal.

CLECA believes that at least two topics require more discussion. The first is how the CAISO would do its own forecasting of coincident load for LSEs if it were to undertake that role, including statistical methodologies, use of weather normalization, etc. The second is the process by which the CAISO would address loads that diverge from forecasts by more than 4%.