

CLECA Comments on Study Plan on Characteristics of Slow Response Local Capacity Resources in Transmission Planning Process for 2016-2017

Submitted by	Company	Date Submitted
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The California Large Energy Consumers Association (CLECA) submits these comments on the Study Plan for Characteristics of Slow Response Local Capacity Resources (Study Plan) in the CAISO’s Transmission Planning Process (TPP) for 2016-2017. CLECA has appealed the CAISO’s BPM change specifying that a resource must be available within 20 minutes or have sufficient pre-dispatch capability in order to be eligible for local resource adequacy (RA) credit. (PRR 854.) By submitting these comments, CLECA does not waive its appeal. CLECA also reiterates below some of the questions raised in its appeal.

As indicated on the April 26, 2016 stakeholder call, CLECA does not find the Study Plan presentation to be particularly transparent. Furthermore, the explanation of what will be done with the results of the Study is not clear. Two questions arise. The first is what would be done with the results in the context of the TPP. The second is how the CAISO would use the results to operate the grid. How would DR that might be characterized as “slow response”, or any other “slow response” resource, be pre-dispatched and under what conditions? From the stakeholder call on April 26th, it appears that the goal of the study is to determine how many hours a “slow response” resource would have to be available for pre-dispatch. However, this does not provide clarity as to how such pre-dispatch would take place. Indeed, this point has never been clear from the moment of the BPM change. Key questions remain, including: how the decision to “pre-dispatch” would be made, will the considerations that go into a determination of “sufficient frequency” vary by local area and the specific conditions in the local area, and where will these processes and conditions be described.

Thus, while the study results may be helpful, there is still a need for a stakeholder process on the subject of the pre-dispatch of DR and any other “slow response” resources; a stakeholder process should provide clarity as to how and under what circumstances the “slow response” resources would be dispatched. This matter should be addressed in the context of resource adequacy at the CPUC as well as at the CAISO.

As noted on the stakeholder call, not all existing DR resources are “slow response”. Thus, DR resources should be appropriately characterized based on their dispatch time. CLECA supports the proposal of the CAISO to rely on the LSEs to provide information on the dispatch time for “slow response” resources. However, for DR, other non-utility DRPs should also have information to provide on their own DR resources, such as those bidding into the DR Auction Mechanism (DRAM) or DR bid by third parties into the CAISO’s markets outside the DRAM. Furthermore, for DR, the DRPs should be able to provide information on the duration of the DR programs or contracts, to counter the CAISO’s mistaken assumption that they are only for one year. The load impact reports that are annually conducted for the utilities for their own DR programs show the MW of DR available by program over many years. Even if individual customers come and go, the programs have been in existence for many years.