

# Stakeholder Comments Template

## Regional Resource Adequacy Initiative Issue Paper

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the issue paper for the Regional Resource Adequacy Initiative that was posted on December 9, 2015. The issue paper and other information related to this initiative may be found at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/RegionalResourceAdequacy.aspx>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **January 7, 2016**.

If you are interested in providing written comments on the issue paper, please provide your comments below.

At this early stage of this initiative, CMUA has the following comments:

Any Resource Adequacy regime must balance the need for sustainable grid reliability, result in reasonable costs, respect multiple jurisdictional authorities, and ensure no “leaning” on the system by entities not procuring and making available adequate capacity to meet system, local, and flexible capacity requirements.

First, it should be recognized the current regime is not completely uniform and it still works well. While the CPUC is the Local Regulatory Authority (“LRA”) for a bulk of the Load Serving Entities within California, there are many others Publicly-Owned Utilities (“POU”) LRAs that adopt Resource Adequacy policies, and as prudently planning entities these POU LRAs balance cost and procurement risk, along with the host of other procurement obligations inherent to serving load in California, such as renewable resource requirements. Despite this diversity of procurement policies, to our knowledge the CAISO has never indicated when it reviews the annual showings, that there has been an overall shortfall or that reliability is compromised.

Second, the Tariff attempts to track cost causation by placing backstop procurement risk with entities that are shown to be short. This is appropriate, and should be used as a tool to ensure that default procurement that is triggered due to the lack of uniform procurement, results in cost attribution that tracks cost causation.

Third, it is appropriate that the CAISO continue to establish local and flexible capacity obligations, and that should continue throughout its expanded Balancing Authority Area (“BAA”). However, CMUA does not see, at this time, a compelling need to make other changes to counting conventions or other rules that would place more procurement determinations within the authority of the CAISO, and thus subject to FERC jurisdiction.

Fourth, while CMUA did not support the imposition of certain features of the stringent Must Offer requirement at its inception, that design feature is an imbedded part of the Resource Adequacy regime. Unless the CAISO is going to revisit the Must Offer requirement in its entirety, CMUA strongly believes that the MOO must apply equally across the consolidated and expanded Balancing Authority Area.

Finally, while the Transmission Access Charge initiative has complex questions associated with balancing cost causation and equitable concerns about cost shifting, Resource Adequacy has those issues, plus the added complexity of difficult technical questions. CMUA does not believe the timeline the CAISO has proposed to discuss and address issues associated with Resource Adequacy in the context of an expanded BAA is adequate or prudent.

CMUA looks forward to further discussion of this critical issue.