COMMENTS OF EDF-RENEWABLES ON PROPOSED CAISO DELIVERABILITY ASSESSMENT CHANGES

EDF-Renewables (EDF-R) appreciates the opportunity to comment on the CAISO's proposed Deliverability Assessment methodology changes. The proposed new methodology has the potential to allow far more generation capacity – especially in solar-intensive areas – to achieve Full Capacity Deliverability Status (FCDS) more quickly and at lower cost.

However, EDF-R has some significant concerns about the new methodology – specifically, the inconsistency of the methodology with the Qualifying Capacity (QC) figures adopted by Local Regulatory Authorities (LRAs) like the California Public Utilities Commission (CPUC) and the potential impacts on transmission congestion.

The new methodology will not be helpful if more new resources can receive FCDS quicker and cheaper, but then both they and existing resources face high levels of curtailment. As explained further below, EDF-R recommends the following CAISO actions:

- Establish a more direct connection between LRA-approved QC figures and CAISO assessments of the amount of that QC deliverable to load (Net Qualifying Capacity (NQC)).
- Provide a mark-up of the current Transmission Economic Assessment Methodology (TEAM) to specify the changes CAISO plans to assessments of economic upgrades in the annual Transmission Planning Process (TPP).
- Provide a broader analysis of potential congestion impacts with the new methodology.

Inconsistency between CPUC QC and CAISO NQC

EDF-R is troubled by the apparently inconsistency between the QC adopted by the CPUC and the CAISO's methodology to determine how much of that QC is deliverable (NQC). Conceptually, these two terms should be related. In other words, the methodology to determine both and how much of it is deliverable should be consistent. This is a problem also with the existing deliverability methodology, but recent CPUC QC changes have exacerbated it by widening the gap between that QC and the CAISO's NQC assumptions, especially for solar resources.

For example, the CPUC has determined at a policy level that the QC – Resource Adequacy (RA) value – of solar resources is about 44% during a peak summer month. However, the proposed CAISO methodology would dispatch such resources in the Highest System Need (HSN) scenario in the TPP, which would be used to determine the need for Policy-Driven Upgrades, at only 3-11% of nameplate. Thus, the TPP would not identify sufficient transmission upgrades to support the CPUC's policy determination and, in fact, would undermine that determination. CAISO should close this gap and align its process with CPUC policy determinations.

Potential congestion impacts

Clearly, dispatch at 3-11% of output under the HSN scenario will not trigger sufficient upgrades to avoid possible significant congestion increases. It is possible that the higher 35-56% of nameplate dispatch assumptions for solar resources under the Secondary System Need (SSN) analysis might identify additional upgrades to be considered as economic upgrades in the TPP. The CAISO has promised to update the TEAM used to assess the need for economic upgrades in the TPP to consider, in some way, lost revenues or other benefits.

The CAISO has not supplied any details of those possible changes (e.g., mark-up of the posted TEAM description, similar to that provided for the deliverability-assessment methodology); thus, stakeholders have no way of knowing if the planned changes will realistically consider the range of possible value of avoiding additional curtailments, instead of concluding that curtailments are always cheaper than upgrades. At a minimum, stakeholders should have this information before being asked to pass judgment on the new deliverability methodology.

Moreover, even at the higher SSN solar dispatch levels, the output assumptions are far below production at peak solar output times. It is possible that actual solar RA output levels will be at twice the level assumed under that scenario, and that is before considering production by Energy-Only resources, which will increase congestion further (especially at the high EO levels assumed in recent CPUC-provided illustrative portfolios).

More information is needed about the potential congestion impacts during peak solar (and wind) production hours over time as the new methodology removes many upgrades already approved and fails to trigger additional upgrades with deeper VER penetration. This additional analysis should include adverse impacts on existing resources.