

## **Evaluation Report of Load Serving Entities' Compliance with 2014 Local and System Resource Adequacy Requirements (November 20, 2013)**

The ISO has reviewed the aggregate 2014 annual Resource Adequacy (RA) Plans of load serving entities (LSEs) received as of November 1, 2013 and done an evaluation to assess compliance with annual Local and System Resource Adequacy requirements. In addition, the ISO has done an evaluation of the effectiveness of the Resource Adequacy Resources and RMR resources that have been procured by LSEs to assess compliance in Local Capacity Areas with the Local Capacity Technical Study criteria as required by Tariff Sections 43.2.1.1 and 43.2.2. The ISO's evaluation has identified individual LSE and collective capacity deficiencies in several Local Capacity Areas in the PG&E and SDG&E TAC Areas. The ISO's evaluation shows aggregate compliance with the LCR criteria in the SCE TAC Area. A deficiency occurs when the aggregate portfolio of Resource Adequacy Resources that has been procured, including RMR resources, fails to satisfy the adopted reliability criteria in a Local Capacity Area. The tariff provides an opportunity for LSEs to cure individual or collective deficiencies before the ISO can engage in any backstop procurement.

The ISO notes that it cannot require the deficient LSEs to buy from the units specified below, which are needed to satisfy LCR criteria. LSEs (including those deficient at this time) can buy from any resources with a local attribute in the TAC Area. However, to the extent that the aggregate LSE showings do not comprise the right mix of resources that meet the LCR criteria and ISO effectiveness needs, a deficiency may exist that would cause the ISO to procure individual and/or collective backstop capacity.

### **System Resource Adequacy requirements**

The ISO's evaluation shows aggregate compliance with the year ahead RA requirement (90% of the monthly resource adequacy requirement) for the five summer months.

### **Local Resource Adequacy requirements**

LSEs year ahead RA showings evaluation was performed with the same assumptions as the 2014 LCR report that was used to give LSEs their LCR allocations namely the LCR report posted April 30, 2013 [http://www.caiso.com/Documents/Final2014LocalCapacityTechnicalStudyReportApr30\\_2013.pdf](http://www.caiso.com/Documents/Final2014LocalCapacityTechnicalStudyReportApr30_2013.pdf). The LSEs and suppliers are subject to the RA replacement requirement and are subject to ISO capacity procurement mechanism back stop authority as approved by FERC.

### **SCE TAC Area**

The ISO's evaluation shows aggregate compliance with the LCR criteria.

### **PG&E TAC Area**

1. At this time, individual LSE deficiencies in the PG&E TAC Area total 61.01 MW.
2. Based on the final showings received the ISO projects that there could be a potential collective deficiency ranging from a minimum deficiency of 229.76 MW to a maximum deficiency of 290.77 MW.

For Humboldt Local Area, an additional 61.05 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
BLULKE_6_BLUELK	Blue Lake Power	8.49	8.49	Humboldt Overall
HUMBPP_1_UNITS3	Humboldt Bay Gen. Sta. 3	65.08	65.08	Humboldt Overall
WLLWCR_6_CEDRFL	Cedar Flat Hydro QF Agg.	0.02	0.02	Humboldt Overall

For Sierra Local Area, an additional 72.92 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
DAVIS_7_MNMETH	MM Yolo Power LLC	1.95	1.95	South of Palermo
LODIEC_2_PL1X2	Lodi Energy Center	280	50.54	South of Palermo
STIGCT_2_LODI	Lodi STIG	49.5	20.43	South of Palermo

For Stockton Local Area, an additional 41.92 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
CAMCHE_1_PL1X3	Camanche Units 1, 2 and 3	4.33	4.33	Tesla-Bellota
COGNAT_1_UNIT	Stockton Biomas	25.46	25.46	Weber
SPIFBD_1_PL1X2	Sierra Pacific Ind. (Sonora)	0.63	0.63	Tesla-Bellota
STNRES_1_UNIT	Stanislaus Waste Energy Co.	10.10	10.10	Tesla-Bellota
VLYHOM_7_SSID	Woodward	1.40	1.40	Tesla-Bellota

For Bay Area Local Area, an additional 114.88 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
CSCCOG_1_UNIT 1	Santa Clara Co-gen	6	6	San Jose
DUANE_1_PL1X3	Donald Von Raesfeld Project	147.8	108	San Jose
LECEF_1_UNITS	Los Esteros Energy Facility	293.88	0.88	San Jose

### SDG&E TAC Area

1. At this time, individual LSE deficiencies in the SDG&E TAC Area total 0 MW.
2. Based on the final showings received the ISO projects that there could be a potential collective deficiency of 40.4 MW.

For Greater San Diego-Imperial Valley Local Area, an additional 40.4 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
CBRLLO_6_PLSTP1	Point Loma Sewage Treat.	3.05	3.05	San Diego
CHILLS_7_UNITA1	Gas Recovery Sys.	1.59	1.59	San Diego
EGATE_7_NOCITY	North City Unit (Eastgate)	0.26	0.26	San Diego
ESCENDO_6_PL1X2	MMC Escondido Aggregate	35.50	35.50	San Diego

**Process for curing a Collective Deficiency:**

For purposes of curing a collective deficiency, a Scheduling Coordinator for an LSE may submit a revised annual Resource Adequacy Plan by **December 20, 2013**, to demonstrate the procurement of additional Local Capacity Area Resources consistent with this notice in order to resolve the collective deficiency as provided by Tariff Section 43.2.2.1. Any Scheduling Coordinator for an LSE that provides such additional Local Capacity Area Resources consistent with this market notice shall have its share of any backstop procurement costs reduced on a proportionate basis in accordance with the Tariff. If the full quantity of capacity in the deficient Local Capacity Areas is not reported to the ISO under revised annual Resource Adequacy Plans, the ISO may engage in backstop procurement sufficient to alleviate the collective deficiency.