



GOLDEN STATE CLEAN ENERGY

October 18, 2019

Golden State Clean Energy (GSCE) provides the following comments on the CAISO's deliverability assessment methodology draft final proposal dated September 27, 2019. GSCE also provides comments on the stakeholder call held on October 10, 2019 to discuss adding storage to existing or new generation sites where CAISO provided additional detail around how it intends to implement its revised methodology.

GSCE understands the CAISO's need to modify its study assumptions and adapt its on-peak methodology to accommodate changing system conditions that affect what resources are needed to supply resource adequacy. We appreciate the proposed framework the CAISO is setting out to mitigate for excessive curtailment and are generally supportive of the concept that the CAISO is developing. However, we remain concerned about some fundamental issues and believe that the CASIO should resolve them before moving forward.

Transferring deliverability

Projects with deliverability need more time than the 34 working days CAISO is suggesting to make decisions about adding storage to existing facilities to transfer deliverability. We agree that these projects should be afforded the opportunity to make the choice to add storage and transfer deliverability. However, developers need significantly more time than what is being proposed to make this assessment.

We would suggest that CAISO establish a process by which interconnection customers would submit an affidavit this fall, with the deposit, indicating the quantity of storage they anticipate adding to their facility to accept the deliverability transfer, and then require that the project provide the full details necessary for the CAISO to process the MMA within six to nine months at a confirmed size not to exceed the amount in the affidavit. This would allow CAISO to proceed with the studies in January assuming the amount of "reserved" deliverability from the affidavits would be used for storage. Proceeding in this fashion would allow a much more reasonable timeframe for the project developer to evaluate the best storage technology and commercial considerations around sizing the battery, conduct the engineering assessments

needed to support the modification request and navigate any limitations that may be imposed by financing structures or offtake agreements.

We also urge the CAISO to offer more flexibility to currently deliverable interconnection customers to maintain the full deliverability of the full solar plant output while offering the ability to add storage and transfer deliverability. We support the comments and suggestions offered by LS Power on this point.

Although we understand that the deliverability allocation is not a property right and that the shifting ELCC methodology is resulting in a lower RA value for solar resources, developers with deliverability allocated under the current methodology have been making commercial decisions and plans based on the deliverability amounts allocated by the CAISO. Developers have taken on significant risk with the financial postings necessary to support the needed upgrades driven by the current methodology. It is reasonable to allow more time for developers make decisions and avail themselves of the upgrades they have funded before losing the deliverability to later-queued projects that have not faced the same risk and costs.

We also believe that the CAISO should think more broadly about how projects that are at the same point of interconnection and under development by the same entity can allocate deliverability among their generating units. As part of the CAISO's transitional process, CAISO should remove the requirement that the generating units be under the same GIA in order for a project developer to qualify to transfer deliverability among generating units.

Energy-only transitional opportunity to obtain FCDS

In GSCE's August 16 comments filed on the July 29 straw proposal, we requested that CAISO develop a methodology to allow existing energy-only projects to compete for an allocation of "new" deliverability that will be available when CAISO changes its on-peak deliverability assessment methodology. We continue to believe that this should be a key element of the CAISO proposal and urge CAISO to rethink its decision to rely on its current allocation methodology rather than providing a transitional option for energy-only projects. Many energy-only projects will not be able to meet the criteria listed in CAISO's allocation methodology, and one of the groups – the option to proceed without a PPA – is not open to energy-only projects.

Although CAISO asserts in response to the several parties who requested this transitional option for energy-only projects that "most of the projects that failed to obtain a TPD allocation was due to the project's development status, not due to the availability of TPD," this was not the case for GSCE's projects. GSCE has projects in the queue that requested deliverability last year but did not receive an allocation, forcing them to convert to energy-only projects. These projects were eligible last year for an allocation but did not receive one because no TP deliverability was available. It is not reasonable a year later for CAISO to alter its methodology but restrict these projects' ability to compete on the same terms as other projects in this affidavit cycle.

The location of GSCE's development, the southern part of the San Joaquin Valley, provides these resources with a unique opportunity to support grid reliability in the Bay Area as storage is added to these projects. Without deliverability, however, the opportunity to support the state's goals for supplying RA from GHG-free resources is lost for these projects.

We appreciate CAISO considering these comments and the ongoing work of CAISO staff and management to navigate these complex issues.

Respectfully,

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