

The ISO received comments on the topics discussed at the April 10 stakeholder call from the following:

1. [Calpine Corporation \(Calpine\)](#)
2. [Middle River Power \(MRP\)](#)

Copies of the comments submitted are located on the Local capacity requirements process webpage at:

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

The following are the ISO's responses to the comments.

1. Calpine Corporation (Calpine) Submitted by: Mark Smith		
No	Comment Submitted	CAISO Response
1a	<p>Calpine emphasizes the comments submitted on the draft study scope recommending that the CAISO modify the contingencies modeled in LCR studies to conform to enforceable NERC Planning criteria. A copy of our previous comments are linked here:  <a href="http://www.aiso.com/Documents/CalpineComments-2020LocalCapacityRequirementsDraftStudy.pdf">http://www.aiso.com/Documents/CalpineComments-2020LocalCapacityRequirementsDraftStudy.pdf</a></p> <p>The CAISO System Planning Criteria as applied to Local Capacity Technical Studies are inconsistent with NERC Planning Criteria and inconsistent with mandatory practices for Transmission Planning (TPL-001-4), and they should be modified to improve consistency. Specifically, several double-contingencies are ignored in the LCT scope and results<sup>1</sup>.</p> <p>Calpine recognizes that the ISO complies with this standard in its TPP process and does not understand the reluctance to using the full set of mandatory contingencies in the LCT Study.</p> <p>As highlighted in our previous comments – which to our knowledge have not been addressed in the LCT Study – the CAISO seems to be in violation of its own tariff by ignoring valid and mandatory double contingencies in the LCT Studies. Calpine asks that the ISO explain the changes that it proposes in this or future cycles or explain its recalcitrance in the final drafts of the LCT Studies.</p>	<p>The ISO replied to the comments submitted on the 2020 local capacity requirement draft study plan in the comment matrix with the ISO responses posted on March 12, 2019 at the following link:  <a href="http://www.aiso.com/Documents/ISOResponsestoComments-2020LocalCapacityRequirementsDraftStudy.pdf">http://www.aiso.com/Documents/ISOResponsestoComments-2020LocalCapacityRequirementsDraftStudy.pdf</a></p> <p>Currently the ISO is applying in the LCR process the contingencies specifically required in Tariff section 40.3.1.2, and is fully compliant with its tariff.</p> <p style="padding-left: 40px;">“The Local Capacity Technical Study will determine the minimum amount of Local Capacity Area Resources needed to address the Contingencies identified in Section 40.3.1.2.”</p> <p>Regarding Calpine’s concern for consistency in the LCR criteria and NERC standards, the ISO will be going through a separate stakeholder process to update the tariff to replace outdated references to the previous NERC standards TPL-001-0, TPL-002-0, TPL-003-0 and TPL-004-0 with references to the current NERC TPL-001-4 reliability standard. At that time, other changes to section 40.3.1.2 may also be considered.</p>

2. Middle River Power (MRP) Submitted by: Kallie Wells – Gridwell Consulting for Middle River Power		
No	Comment Submitted	CAISO Response
2a	<p><u>Treatment of VERs</u>            MRP appreciates the CAISO’s efforts each year in conducting the local capacity requirements study. The results demonstrate a clear path for local requirements for the next several years. MRP supports the study and its overall results but has some questions regarding the treatment of solar and other variable energy resources within the study to determine overall area resource adequacy needs. In the 2020 summary Local Capacity Needs Table on page 2 of Attachment B, solar megawatts are included within the Net Qualifying Capacity (“NQC”) but clearly not accounted for in the Capacity Availability at Peak. For example, the total NQC available for San Diego/Imperial Valley area is 4,334 MW while the Capacity Available at Peak is 3,895 MW. The difference is the solar NQC of 439 MW.</p> <p>Based on this approach, MRP believes it may be more appropriate to further study the local area ELCCs to better understand the overall area/sub-area resource adequacy needs. This study should be consistent with the recent ELCC methodology proposed by the CPUC’s energy division. The additional study may provide additional market clarity and maintain consistency across the resource adequacy process. The result will demonstrate a true and clearer picture of the resource adequacy needs of each local area/sub-area and help streamline the procurement process.</p>	<p>As described in page 6 of the final 2020 LCR Manual <a href="http://www.caiso.com/Documents/2020LocalCapacityRequirementsFinalStudyManual.pdf">http://www.caiso.com/Documents/2020LocalCapacityRequirementsFinalStudyManual.pdf</a>, all “resources shall be dispatch up to the latest available net qualifying capacity not to exceed historical (projected for new resources) output values at the time of the managed peak load in the local area”. As such “solar” was dispatch at the actual hour of net peak; for some areas that was beyond sunset and therefore these resources do not help maintain reliability at the peak net load hour.</p> <p>ELCC values, calculated by CPUC, are aligned with system load profiles and not each individual local area profile.</p> <p>At this time the local and system RA counting rules have not changed. The LCR reports highlight a divergence in reliability benefits for solar resources between the system load profiles and the local area peaks.</p>
2b	<p><u>Tesla-Bellota sub-area</u>            MRP noticed a change in the net qualified capacity of the Tracy Combined Cycle Power Plant (SCHLTE_1_PL1X3) used in the 2020 and 2024 Local Capacity Requirement study relative to that used in the 2028 Local Capacity Requirement study that was conducted within the 2018-2019 Transmission Planning Process<sup>1</sup>. Specifically, the NQC of the resource decreases by 5 MW between the two studies. MPR understands that there are some transmission upgrades within the Stockton area that could account for the change in the NQC. MRP would like to better understand what is causing the NQC of the Tracy Combined Cycle Plant to decrease in the 2028 Local Capacity Requirement study and would greatly appreciate additional clarification by the CAISO.</p>	<p>The SC for each resource is allowed to change the QC, which can also impact NQC, over time as long as does not exceed their ISO Masterfile Pmax. The 2028 LCR study was done in late 2018 and the ISO used the 2018 NQC data available earlier that year (319.8 MW). The 2020 and 2024 LCR studies have been done in the last few months and ISO used the data available this January in the 2019 NQC list (328.9 MW).</p> <p>SCHLTE_1_PL1X3 – 2017 final Aug NQC was 299.4 MW            SCHLTE_1_PL1X3 – 2018 final Aug NQC was 323.4 MW            SCHLTE_1_PL1X3 – 2019 current Aug NQC is 328.94 MW</p> <p>Within any RA year the NQC can only be increased never decreased. The cause for the increase resides with the SC for the resource.</p>