

DELIVERABILITY ASSESSMENT METHODOLOGY INITIATIVE

Comments on Straw Proposal

August 16th, 2019

Intersect Power (Intersect) appreciates the opportunity to offer these comments on the CAISO's Straw Proposal (Proposal) in the Deliverability Assessment Methodology initiative. Intersect's comments focus on the process for this initiative.

CAISO's plan to move Deliverability Assessment changes forward together with congestion-mitigation measures is a good one and should be retained. The Proposal includes several thoughtful changes in response to earlier stakeholder comments, and Intersect is in the process of reviewing and analyzing the concepts it contains.

However, critical details for the package are still unresolved, and it is obvious that the initiative requires considerable additional work before it is ready to proceed to a Draft Final Proposal and a September Board decision. It will not be helpful for the CAISO to proceed with a package that still contains major unresolved issues and does not have significant stakeholder consensus.

These unresolved issues include the following:

- **On-Peak Deliverability Assessment**

- **Scenario definitions:** High System Need (HSN) and Secondary System Need (SSN) scenario definitions, and how they might change over time.
- **VER output:** Apparent contradictions between the Deliverability Assessment methodology (focus on only peak hours, with low VER output) and the CPUC method for determining the Resource Adequacy (RA) values that resources actually count for (8760 analysis with output averaging far more than the CAISO analysis).

- **Off-Peak Deliverability Assessment**

- **Option 4:** Reimbursement limits and free-rider problems.
- **Option 5:** Many issues with the proposed Off-Peak Deliverability Status (OPDS), including equity with those paying for on-peak upgrades, impact on VER submission of economic bids, and overall impact on CAISO markets. The concept is interesting but not yet well-defined and coherent.
- **Other ideas:** The Proposal encourages submission of stakeholder comments and ideas about the new ideas it contains, but there would be little opportunity for the CAISO and other stakeholders to analyze and consider any such input.

In conclusion, Intersect urges the CAISO not to rush this initiative to conclusion before its important elements are carefully considered and then rationally decided. At a minimum, the process should allow for a Revised Straw Proposal, where the CAISO can modify and better define its proposals based on stakeholder input on the many concepts in the Proposal.