

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Forward
Resource Adequacy Procurement Obligations

Rulemaking 19-11-009
(Filed November 7, 2019)

**REPLY COMMENTS ON PROPOSED DECISION OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Anna A. McKenna
Assistant General Counsel
Jordan Pinjuv
Senior Counsel
California Independent System
Operator Corporation
250 Outcropping Way
Folsom California 95630
Tel.: (916) 351-4429
jpjuv@caiso.com

Date: June 16, 2020

Table of Contents

I.	Introduction.....	1
II.	Discussion.....	1
	A. The Commission Should Refine the Maximum Cumulative Capacity Bucket Availability Definition.	1
	B. The Revised MCC Buckets Should Be an Interim Solution.....	2
	C. Multi-Year Load Forecasting Should be Coordinated with the California Energy Commission.	2
III.	Conclusion	3

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Forward
Resource Adequacy Procurement Obligations

Rulemaking 19-11-009
(Filed November 7, 2019)

**OPENING COMMENTS ON PROPOSED DECISION OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

I. Introduction

The California Independent System Operator Corporation (CAISO) hereby provides reply comments on the *Proposed Decision Adopting Local Capacity Obligations for 2021-2023, Adopting Flexible Capacity Obligations for 2021, and Refining the Resource Adequacy Program* (Proposed Decision) issued in this proceeding on May 22, 2020. In these reply comments, the CAISO responds to opening comments filed by Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).

II. Discussion

A. The Commission Should Refine the Maximum Cumulative Capacity Bucket Availability Definition.

Several parties, including the CAISO, raised questions regarding the Proposed Decision’s “availability” definition for maximum cumulative capacity categories (MCC). The CAISO agrees with SCE’s proposed clarifications to the “availability” definition, particularly with respect to battery storage resources. SCE states

the Commission should clarify that, for an energy storage resource, being physically capable of dispatching its entire capacity means the resource is physically capable of discharging at its entire capacity. For example, for an energy storage resource that can discharge at its entire capacity for four consecutive hours, the resource should be considered as being physically capable of dispatching for four consecutive hours and fall into MCC Category 1. Similarly, for an energy storage resource that can discharge at its entire capacity

for eight consecutive hours, the resource would fall into MCC Category 2.¹

The CAISO agrees with SCE's interpretation.

PG&E also proposed clarifications to the availability definition to ensure that hydroelectric resources can qualify as MCC Category 4 resources. Though the CAISO agrees that hydroelectric resources should be able to qualify as Category 4 resources, PG&E's proposed modification appears to be overbroad, as it is not limited to hydroelectric resources. Rather than adopting PG&E's proposed clarification, the CAISO continues to recommend that the Commission expand the third prong of this "availability" definition to clarify that use limitations cannot prevent bidding, self-scheduling, and dispatch during all regular, specific hours associated with the minimum criteria for that bucket for the entirety of the month for which it has been shown.

B. The Revised MCC Buckets Should Be an Interim Solution.

SCE recommended that the Commission clarify that the revised MCC buckets adopted in the Proposed Decision are an interim solution "while allowing a permanent solution to be developed as a part of potential structural changes to the RA program to be considered in Track 3 of this proceeding."² The CAISO agrees and the Commission should acknowledge that more refined proposals to consider energy and capacity sufficiency will be considered in Track 3.

C. Multi-Year Load Forecasting Should be Coordinated with the California Energy Commission.

SDG&E recommends that the Commission revise the Proposed Decision to require multi-year load forecasting to align with multi-year forward local capacity requirements.³ The CAISO generally agrees that the Commission should consider multi-year forward load forecast requirements, especially in light of potential future adoption of multi-year forward system and flexible resource adequacy obligations. However, the Commission should coordinate closely with the California Energy Commission (CEC) to develop any multi-year forward forecasting process. The CAISO, the Commission and the CEC have worked together to ensure that the state's planning and procurement processes are aligned and coordinated. The CEC load forecasts

¹ SCE Opening Comments, p. 4.

² *Id.* at p. 5.

³ SDG&E Opening Comments, p. 4.

form the basis for those aligned processes and any future multi-year load forecasting should continue that coordination.

III. Conclusion

The CAISO appreciates the opportunity to provide reply comments on the Proposed Decision.

Respectfully submitted,

By: /s/ Jordan Pinjuv

Roger E. Collanton

General Counsel

Anthony Ivancovich

Deputy General Counsel

Anna A. McKenna

Assistant General Counsel

Jordan Pinjuv

Senior Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom California 95630

Tel.: (916) 351-4429

jpjuv@caiso.com

Date: June 16, 2020