

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

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Annual
Local and Flexible Procurement Obligations
for the 2019 and 2020 Compliance Years

Rulemaking 17-09-020
(Filed September 28, 2017)

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION RESPONSE TO
PETITION FOR MODIFICATION OF DECISION 20-01-004**

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Table of Contents

I.	Introduction.....	1
II.	Discussion.....	2
	A. The Commission Should Refine the Definition of Hybrid Resources.....	2
	B. The Commission Should Adopt the CAISO’s Proposal to Establish Qualifying Capacity Values for Co-Located Resources.	2
III.	Conclusion	2

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Pursuant to the Rule 16.4(f) of the Commission’s Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) provides this response to the Petition for Modification (PFM) filed by the California Energy Storage Alliance, American Wind Energy Association of California, Center for Energy Efficiency and Renewable Technologies, and Enel X North America (the Joint Parties).

I. Introduction

The PFM requests that the Commission “adopt a revision to the definition of ‘Hybrid Resource’ as a generating resource co-located with a storage project and with a single point of interconnection and represented by a single market resource ID, so that the interim “greater-of” qualifying capacity (“QC”) methodology is not applied to co-located generation and storage resources operating under two or more resource IDs.” The CAISO agrees that the Commission should refine the definition of “Hybrid Resources” to include only those resources that participate in the CAISO markets as a single resource with a single Resource ID.¹ In addition, the Commission should adopt the CAISO’s Track 2 proposal for establishing qualifying capacity values for co-located storage and generation resources with more than one resource ID. Under that proposal, the Commission would use an additive qualifying capacity methodology on an interim basis

¹ Terms not otherwise defined herein are used consistent with the CAISO Tariff.

only, until it transitions to an exceedance methodology.²

II. Discussion

A. The Commission Should Refine the Definition of Hybrid Resources.

The CAISO agrees with PFM’s recommendation to modify the Commission’s definition of “Hybrid Resources.” The CAISO has proposed definitions for “hybrid” and “co-located” resources in its Hybrid Resources Stakeholder Initiative. As the CAISO noted in its Track 2 proposals in Rulemaking 19-11-009, “[t]he CAISO’s proposed definitions distinguish between “co-located” resources—which have two or more Resource IDs—and “hybrid” resources—which have a single Resource ID...to provide the CAISO with the bids necessary to support the reliable operation of the system and market outcomes.”³ The Commission should revise its definition of “Hybrid Resources” to align with CAISO’s definition, both to reduce market participant confusion and to distinguish between these differently situated resource types.

B. The Commission Should Adopt the CAISO’s Proposal to Establish Qualifying Capacity Values for Co-Located Resources.

In its Track 2 proposals, the CAISO proposed that the Commission adopt an exceedance methodology to establish qualifying capacity values for co-located resources with investment tax credit (ITC) charging restrictions. Because new co-located resources will not have actual historical production data, the CAISO also recommended that the Commission adopt an “additive” methodology to establish qualifying capacity values until that data is available. The CAISO recommends that the Commission adopt the CAISO’s Track 2 qualifying capacity methodology for co-located resources with ITC charging restrictions. The CAISO would also be open to an additive approach with a cap for calculated daily charging capability as proposed by Southern California Edison (SCE).

III. Conclusion

The CAISO appreciates this opportunity to provide comments on the PFM and

² CAISO Track 2 Proposals, p. 6-7. <http://www.caiso.com/Documents/Feb21-2020-ResourceAdequacy-Track2-Proposals-R19-11-009.pdf>.

³ Id.

looks forward to working with the Commission to establish appropriate qualifying capacity counting methodologies for hybrid and co-located resources.

Respectfully submitted,

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