



## Generation Deliverability Assessment – Draft Final Proposal

Submitted by	Organization	Date Submitted
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NextEra Energy Resources, LLC (NextEra) appreciates the opportunity to comment on the California ISO's (CAISO) Generation Deliverability Assessment – Final Draft Proposal (FD Proposal).

### **All Hybrid Resources Should be Eligible for Off-Peak Deliverability Status (OPDS)**

The FD Proposal proposes to exclude from OPDS eligibility hybrid resources where “the energy storage component of the resource is sized to eliminate intermittency of the wind or solar resources.” This is defined as a resource where the 4 hour discharging capacity of the energy storage plus the high system need study amount is greater than the requested maximum output. (FD Proposal at page 21.) In contrast, hybrid resources where the combined amount is less than the requested maximum amount can seek OPDS. Although unclear, it is presumed that the requested maximum output is the maximum injection at the point of interconnection of the combined resources. NextEra does not believe this distinction is justified and should be rejected or, at least, needs more vetting.

To begin, the relationship between eliminating intermittency and the desire to protect against the risk of curtailment is unclear. Storage resources of significant size in relation to the variable generator are likely not eliminating intermittency per se, but rather shifting energy. But most significantly, it is not clear that such hybrid configurations in and of themselves shields the resource from curtailment risk. The duration of the local curtailments may be different in different locations and exceed the hybrids ability to charge. Also, hybrid resources may be configured largely to charge from potentially clipped energy, such that the storage resource does not adequately protect the renewable generation from curtailment.

### **NextEra Reiterates the Request of Prior Parties that Existing Resources Under Limited Circumstances Should Have Priority to Transmission Capacity Made Available by the New On-Peak Deliverability Assessment**

The CAISO noted in the FD Proposal that “[w]ith the revised on-peak deliverability assessment assumptions, it is expected that more generation would be deliverable

without further transmission upgrades. One benefit would be that more Transmission Plan Deliverability (TPD) allocation would become available.” (FD Proposal page 10) First Solar and LS Power previously requested that Energy Only resources should have a “one-time opportunity to receive a TPD allocation ahead of other queue projects seeking TPD.” (Id.) The CAISO rejected that request stating that any increased capacity subject to TPD allocation would simply follow the existing tariff provisions. This outcome was purportedly justified as both outside the scope of the initiative and equitable based on an assumption that “most” projects that failed to receive TPD allocation did so based on the project’s development status. (Id.)

Any regulatory change can have an arbitrary allocation of benefits simply based on the timing of the adopted change. Here, there is little doubt that projects that currently remain eligible for TPD allocation will benefit simply by the fortuity of the timing of the CAISO’s commencement of this effort. As an initial matter, NextEra appreciates that there must be limits on what issues will be considered in any stakeholder process to prevent scope creep and the resulting potential unintended consequences. But where that limit lies should be viewed through a lens of reasonableness. Here, that line should consider whether it is reasonable for all the benefits of the methodology change go to certain projects simply by virtue of timing.

In particular, there are existing projects in operation that that have routinely sought FCDS through the annual process. To the extent that those projects have contractual obligations to obtain FCDS or have the ability to adjust their compensation based on obtaining FCDS, there is no reason why speculative projects should have a higher priority to the freed up capacity. Clearly, these projects did not fail to obtain FCDS because of their development status. It is recognized, however, that the new methodology increases the probability of existing resources ultimately receiving FCDS under an annual process, but NextEra believes that projects that can demonstrate prior applications and need, should be entitled to newly created capacity prior to the TPD allocation under the next cycle.