

Stakeholder Comments Template

Regional Resource Adequacy Initiative Issue Paper

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the issue paper for the Regional Resource Adequacy Initiative that was posted on December 9, 2015. The issue paper and other information related to this initiative may be found at:

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

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **January 7, 2016**.

If you are interested in providing written comments on the issue paper, please provide your comments below.

Western Grid Group, Western Resource Advocates, Natural Resources Defense Council, Interwest Energy Alliance and Vote Solar appreciate the opportunity to offer initial comments on December 9 [Regional Resource Adequacy Issue Paper](#). Our top priorities are to:

1. Support changes to the CAISO tariff to enable the CAISO RA process to work in a regional context and thus ensure that a Regional System Operator (RSO) becomes operational no later than 2019.
2. Support PacifiCorp performing load forecasting required by the CAISO RA process with the accuracy of PacifiCorp forecasts made public.
3. Have the CAISO launch a review of its current CAISO Resource Adequacy process with the objective of developing an improved RA default program that better aligns with the reality of the changing resource mix in the West. PUCs and other local regulatory authorities can then adopt this improved RA process in lieu of developing their own RA requirements. Ideally, this review should be completed before 2019 to enable an improved RA default process to be adopted prior to the RSO becoming operational.

Discussion

1. Changes to make RSO operational no later than 2019

We agree with the CAISO's proposed principles to guide policy development for a regional Resource adequacy framework --

- Avoid changes to the ISO's RA rules that would misalign the ISO's RA rules with the California Public Utility Commission's ("CPUC") and other LRA's current RA programs. (Note that development of a state-of-the-art default RA program under item 3 below would provide the CPUC with an option to the current process as well as an option for other Local Regulatory Authorities which may not want to develop their own process.)
- Accommodate different Local Regulatory Authority procurement programs, such as the CPUC's Long-Term Planning and Procurement ("LTTP") and the developing Distributed Resource Planning ("DRP") processes, as well as the integrated resource planning ("IRP") processes that many other LRAs use.
- Develop RA rules to ensure that LSEs provide sufficient capacity from all available resources including Demand Response to meet their allocation of forecast operating needs to avoid capacity leaning.
- Provide incentives for LSEs to provide resource portfolios to the ISO that are aligned with the operational needs that the ISO has communicated to stakeholders.

We agree that the CAISO should:

- Revise the methodology the ISO uses to determine the maximum megawatt ("MW") amount of import capability on the various transmission branch groups in any expanded footprint.
- Determine how to develop and publish the annual lists that identify the qualifying MWs of capacity associated with all resources.

Regarding adding a provision to the ISO tariff to account for transfer capability constraints between large electric locations on electric system, i.e., "zonal constraints", we look forward to further discussion of this issue by the CAISO. This topic may be particularly important given the initially limited transfer capacity between the CAISO and PacifiCorp.

Regarding the possibility of adding new ISO default tariff provisions that determine how many MWs a resource can "count" towards meeting an RA obligation, we recommend that this issue become part of the thorough review of the current CAISO RA program recommended under item 3.

2. Load forecasting

We believe that PacifiCorp has the most experience with loads in its footprint and should be charged with developing forecasting information similar to that which is developed by the California Energy Commission and used by CAISO in its RA process. The CAISO should compare forecasts by PacifiCorp (and other load forecasts it uses) with actual load and report results to PUCs and the public.

3. State-of-the art regional RA default process

We have concerns that the current implementation of RA process at CAISO, through its deliverability assessment, is overly restricting various resources to meet system's resource adequacy needs, leading to unneeded construction of deliverability transmission projects. We also believe that growing move toward using an ELCC methodology that fairly and appropriately reflects the performance capabilities for each resource for determining qualifying capacity should be accelerated. An evaluation of the experience with the CAISO deliverability assessment process including the flexible capacity and "must offer" requirements should be undertaken and reforms adopted as part of expanding the RA program to the expanded CAISO footprint.