

## Stakeholder Comments Template

### Subject: Regional Resource Adequacy Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments to the Second Revised Straw Proposal for the Regional Resource Adequacy initiative that was posted on May 26, 2016. Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **June 15, 2016**.

Please provide feedback on the Regional RA Straw Proposal topics:

1. Resource Adequacy Unit Outage Substitution Rules for Internal and External Resources

NIPPC supports the ISO proposal to allow external resources to substitute for internal resources if specified criteria are met. NIPPC also supports the ISO’s proposed criteria (set forth below) for allowing substitution of an external resource:

1. External resource has similar operating characteristics of the outage resource;
2. External resource/entity has sufficient MIC allocation to be used for substitution; and
3. External resource has the capability to fulfill the RA must-offer obligation of the outage resource.

2. Discussion of Import Resources that Qualify for RA Purposes

The CAISO’s request for stakeholder comments on this topic raises several very important issues with respect to RA, some of which are not necessarily limited to discussions about imported RA. The following points express NIPPC’s positions on these important RA topics:

- a. NIPPC is very concerned about the potential impact to reliability and the market of allowing an LSE to meet its RA obligations through a contract which is not supported by specific physical resources. Therefore, NIPPC does not support the use of Firm Liquidated Damages (LD) contracts as eligible RA resource.
- b. If a new PTO/LSE has allowed firm LD contracts to count for RA before it joined the ISO, there needs to be a transition (grandfathering) period over which that PTO/LSE winds down its use of firm LD contracts. In establishing the grandfathering rules, however, it needs to be clear that the grandfathering is applicable only to contracts executed as of a date certain (so as to avoid a rush to execution of new long term Firm LD contracts). NIPPC also recommends that the grandfathering period for any long term firm LD contracts should be no longer than 5 years.
- c. Consistent with current practice, LSEs should be able to utilize import RA capacity to satisfy RA obligations to the extent that suppliers of import RA capacity obtain the necessary MIC allocations and comply with RA must-offer by scheduling or offering import RA capacity at an intertie.
- d. Resources that count toward the RA obligations in the expanded ISO footprint cannot be counted for reliability purposes elsewhere in WECC.
- e. The ISO's currently applicable time frames for RA compliance demonstrations pursuant to which a portion of the requirement must be met one year in advance, and the remaining portion must be met on a monthly basis is reasonable and should be applied consistently across the expanded ISO. NIPPC does not support the idea of allowing some portion of the RA requirement to have shorter compliance demonstration periods, such as daily sufficiency tests.

### 3. Load Forecasting

NIPPC has no comments at this time on load forecasting.

### 4. Maximum Import Capability

NIPPC has no comments at this time on the proposal to allocate Maximum Import Capability to LSEs.

### 5. Monitoring Locational Resource Adequacy Needs and Procurement Levels

NIPPC originally supported the proposed zonal resource adequacy requirement. NIPPC is not opposed to the current proposal to monitor internal constraints without imposing a zonal resource adequacy requirement. NIPPC recognizes that the local resource adequacy requirements may be sufficient.

NIPPC, however, believes the proposal would benefit from a clearer discussion of how capacity on newly defined internal constraints (those which were formerly im-

port paths) will be allocated to load serving entities who held existing rights on those paths.

6. Allocation of RA Requirements to LRAs/LSEs:

NIPPC acknowledges the complexities that accompany the proposed Option 2 approach, which would allow the LRAs that have jurisdiction over multi-jurisdictional LSEs to determine how to allocate the RA requirement to the LSEs under their jurisdiction. Nevertheless, NIPPC supports Option 2. LRAs should have the opportunity to review and allocate the RA requirements to the LSEs under their jurisdiction. If an LRA declines the opportunity to conduct the allocation, then the ISO should allocate directly to the LSE. NIPPC will comment further on this topic when and if Option 2 allocation proposals are made by LRAs that favor that approach.

7. Reliability Assessment

a. Planning Reserve Margin for Reliability Assessment

NIPPC has no comments on this issue at this time.

b. Resource Counting Methodologies for Reliability Assessment

NIPPC has no comments on this issue at this time.

8. Other

NIPPC has no other comments at this time.