

## 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 on the Third Revised Straw Proposal for the Regional Resource Adequacy initiative that was posted on September 29, 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 **October 27, 2016**.

Please provide feedback on the Regional RA Third Revised Straw Proposal below.

The ISO is especially interested in receiving feedback that indicates if your organization supports particular aspects of the proposal. Alternatively, if your organization does not support particular aspects of the proposal, please indicate why your organization does not support those aspects.

#### **General Comments**

NIPPC appreciates the opportunity to provide these comments. NIPPC supports the goal of the ISO to develop a multi-state process that ensures sufficient generating capacity is offered into the ISO's market to serve load and reliably operate the electric system.

NIPPC generally supports the overall direction of the Third Revised Straw Proposal on Regional Resource Adequacy. NIPPC agrees that the Proposal successfully balances the interests of regulators and other stakeholders. The proposal describes mechanisms needed to ensure reliable operation of the electric system while preserving the authority of local and state regulators.

NIPPC has no specific comments on the following elements of the proposal:

- Load forecasting
- Planning Reserve Margin
- Allocation of Resource Adequacy to LSEs

### **Maximum Import Capability**

NIPPC supports the proposed changes to the MIC calculation which address situations where the peak load of a new region in an expanded balancing area occurs non-coincidentally with the peak load of the rest of the system and when there are no simultaneous constraints between certain areas of an expanded balancing area. NIPPC also supports the proposed modifications to the allocation of MIC to reflect the ISO's proposed TAC policy. NIPPC also agrees with the ISO's proposal to monitor internal paths instead of imposing zonal resource adequacy requirements. NIPPC also supports the proposal to allocate MIC resulting from new regional transmission facilities to sub-regions based upon the share of costs allocated to the sub-region through the regional planning process.

NIPPC supports the proposal to clarify the Tariff language to provide that imports used to meet Resource Adequacy must be secured in the month ahead timeframe. NIPPC remains concerned about the reliability of non-resource specific contracts to meet resource adequacy — even when those resources are acquired in time to meet the monthly resource adequacy showing. NIPPC encourages the ISO to consider adopting a mechanism to ensure that sellers of non-resource specific contracts be able to identify the portfolio of physical resources they will use to meet their obligations under the contract.

### **Uniform Counting Rules**

NIPPC supports the need for Uniform Counting Rules. NIPPC agrees that the proposed Uniform Counting Rules are a good place to start as the west considers expanding the ISO's footprint. NIPPC looks forward to development of the ELCC methodology for wind and solar resources. NIPPC also encourages the ISO to recognize and document the need to periodically evaluate the Uniform Counting Rules for specific types of resources to ensure that the counting rules accurately reflect a resource's true ability to contribute to system capacity needs.

### **Substitution Rules**

NIPPC supported the ISO's earlier proposal to allow external resources to substitute for internal resources when specified criteria were met. NIPPC also supported the ISO's

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proposed criteria for allowing substitution of an external resource when: 1) the substituted resource has similar operating characteristics to the outage resource; 2) the substitute resource has sufficient MIC allocation; and 3) the substitute resource has the capability to fulfill the must-offer obligation of the outage resource.

NIPPC is disappointed that the ISO will defer development of mechanisms that would allow an external resource to substitute for an internal resource. But NIPPC also accepts the ISO's description of the complexities involved in implementing more flexible substitution rules. NIPPC anticipates that the ISO will consider revisiting this decision in the future.