



Comments of Pacific Gas & Electric Company

Regional Resource Adequacy – Issue Paper

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator's (CAISO) Regional Resource Adequacy Issue Paper.

PG&E appreciates the amount of work the CAISO has dedicated to educating regional entities on the existing rules for Resource Adequacy (RA) and how the CAISO works with Local Regulatory Authorities (LRAs) to administer the RA program. PG&E also appreciates that the CAISO has outlined its goals and principles, particularly those that relate to existing LRA processes, including the California Public Utility Commission's current RA program and Long Term Procurement Proceeding (LTPP).

The RA program, as outlined by the Issue Paper, has been the development of more than a decade of continual refinements to ensure that Load Serving Entities (LSEs) can serve their load and ensure that the ISO can meet its operational needs and maintain reliability. The current framework provides incentives for each LSE to meet its share of the CAISO's reliability needs for capacity. PG&E recommends that the CAISO continue to provide those incentives and have adequate protections for allocating costs commensurate with each LSE's contribution to the CAISO's reliability requirements.

The existing RA framework requires each LSE to provide RA filings on a year-ahead basis and 45 days before each month for System, Local, and Flexible RA requirements. These filings represent a commitment by an LSE that particular resources will meet its RA requirements and have agreed to follow the sections of the CAISO's Tariff that refer to RA requirements, including the Must Offer Obligation. The framework also includes sufficient safeguards in the form of CAISO backstop procurement to ensure the reliability of the bulk electric system. PG&E supports extending this basic framework to entities seeking to join the CAISO as a participating transmission owner (PTO).

PG&E recommends that the CAISO also view simplification as a priority throughout this initiative. Complications to this basic framework could arise if requirements, resource counting conventions and Must Offer Obligations are inconsistent between LRAs or LSEs. If there are significant differences in RA programs across LRAs, transacting capacity to meet RA requirements across states will be difficult which will prevent significant RA cost savings for all LSEs in the CAISO footprint.

PG&E comments below on a few of the specific proposals addressed in the CAISO's Regional Resource Adequacy Issue Paper:

Making the Tariff More Generic

Updating CPUC and non-CPUC references to the more generic LRA seems appropriate. It is unclear if this change is solely administrative. The CAISO Straw Proposal should be clear on whether these changes are expected to have additional impacts on the RA program.

Updating ISO Default Tariff Provisions

It is also appropriate to update the ISO Default Qualifying Capacity Criteria provisions. The CAISO should outline each update to the ISO's default resource counting provisions in the CAISO Straw Proposal.