

Stakeholder Comments Template

Subject: Regional Resource Adequacy Initiative – Working Group, August 10, 2016

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on Working Group for the Regional Resource Adequacy initiative that was held on August 10, 2016 and covered the reliability assessment topic. Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **August 24, 2016**.

Please provide feedback on the August 10 Regional RA Working Group:

The Public Generating Pool (PGP) is comprised of ten consumer-owned electric utilities located in Washington and Oregon. Collectively, PGP member utilities serve approximately two million people with a 6,000 MW utility-owned asset base that is 86% hydro and 96% carbon-free. Three of the PGP member utilities own and operate their own Balancing Authority Areas.

PGP appreciates the opportunity to comment on the CAISO's Regional Resource Adequacy initiative working group meeting that occurred on August 10th. PGP's comments are limited to question #4, specifically regarding the discussions that occurred on the calculation and allocation of the ISO's Maximum Import Capability (MIC).

1. Does your organization clearly understand the examples that were intended to provide explanation of the Regional RA reliability assessment validation of LSE RA Plans and Supply Plans? If not, please indicate what further details or additional clarity your organization believes should be provided by the ISO in the future.
 - a. Please indicate if your organization believes that there are other specific examples or scenarios that are needed to aid in explaining the Regional RA reliability assessment RA and Supply Plan validations. If so, please detail the specific scenarios that your organization would like the ISO to provide examples on.
2. Does your organization clearly understand the examples that were intended to provide explanation of the Regional RA reliability assessment backstop procurement cost allocation? If not, please indicate what further details or additional clarity your organization believes should be provided by the ISO in the future.

- a. Please indicate if your organization believes that there are other specific examples or scenarios that are needed to aid in explaining the Regional RA reliability assessment backstop procurement cost allocation. If so, please detail the specific scenarios that your organization would like the ISO to provide examples on.
3. Please provide any further feedback your organization would like to provide on the proposed Regional RA reliability assessment process.
4. Please provide any feedback on the other discussions that occurred on the other Regional RA topics during the working group meeting.

The ISO calculates MIC megawatt amounts based on historical usage, looking at the maximum amount of simultaneous energy schedules into the ISO BAA at the ISO coincident peak system load hours over the last two years. PGP finds that the use of a historically based methodology to assess the deliverability of imports creates an artificial limit on RA imports.

PGP advocates that the MIC should represent a reliability limit that denotes the physical capability of interties to import energy into the ISO BAA. Examination of the prior two years of maximum historical import schedule data during high load periods does not provide an accurate assessment of the physical import constraints. The historical-based methodology does not accurately reflect physical import capability, rather it creates an artificial barrier on RA imports. For example, if there are less import schedules over time, the MIC values would be reduced using the proposed historical usage method, even though the actual physical capability of the interties has not been reduced.

Additionally, PGP requests that the allocation methodology for MIC not negatively impact an LSE's existing import arrangements for serving load, and that it respect and acknowledge existing contractual obligations. The ISO's methodology uses a load-ratio share to allocate MIC to LSEs. However, there are LSEs whose entire load is served by imports. The ISO's MIC allocation methodology creates an artificial limit for these LSEs and their ability to continue to serve their load with imports. PGP urges the ISO to modify the RA proposal so it recognizes historic agreements and long-term transmission contracts as the ISO expands its BAA.

While the ISO recognized that a holistic review of the existing MIC framework may be necessary in the future, PGP believes it necessary to have that holistic review prior to expansion of the ISO BAA. PGP encourages the ISO to consider improvements to the MIC framework within the venue of the ISO's regional integration activities, rather than simply extend elements of the existing California RA framework to an expanded multi-state RTO footprint.