



November 12, 2019

CAISO Board of Governors:

Ashutosh Bhagwat

Severin Borenstein

Angelina Galiteva

Mary Leslie

David Olsen

Dear CAISO Board of Governors,

The American Wind Energy Association of California's (AWEA-California) members include global leaders in utility-scale renewable energy. Our members own, operate and develop utility-scale wind, solar, storage, and transmission. We are committed to the need for—and widespread economic benefits derived from—a diverse and balanced portfolio in California to reliably and affordably meet state energy demands and environmental goals. AWEA-California writes in strong support of the proposed changes to the Generation Deliverability Assessment Methodology that will be put forward for your consideration this week.

AWEA-California has participated in the CAISO's stakeholder discussions on the proposed changes to the deliverability methodology since they were first discussed in late 2018. The CAISO staff has worked diligently to balance the diverse interests of stakeholders and to find a compromise position that has been supported by most participants. The proposal before you is the result of that compromise position and will help improve the generation deliverability assessment by aligning it with the changing needs of the CAISO system. At the same time, the proposal puts forward a construct for addressing concerns regarding increased renewable energy curtailment which might otherwise result from this change.

It is important to note that the current deliverability methodology is not aligned with the existing and projected needs of the CAISO system. The current methodology requires solar resources to be deliverable when studied at dispatch levels in excess of 90%. However, given the time of CAISO peak system need, which is now after the sun has started to go down, these same resources receive a far lower value for capacity credit for Resource Adequacy (RA) purposes. The result of this mismatch is that the CAISO system is less able to bring solar resources online with Full Capacity Deliverability Status (and thus RA value) without constructing new transmission upgrades, something which may require significant time and may not be necessary to support the reliability needs of the system. While AWEA-California supports action on transmission planning, we feel it's also important for the CAISO to maximize use of the existing transmission system, and we are concerned that without adoption of the revised Generation Deliverability Assessment Methodology, this mismatch is preventing new RA resources from being added to the CAISO grid in a timely manner.

The revised proposal addresses the mismatch between RA value and the assumptions in the deliverability studies. If implemented expeditiously, it will allow more resources coming online in the next few years to be counted as fully deliverable and, therefore, will allow these incremental resources



to contribute to the capacity needs of the system. Therefore, AWEA-California supports approval of this proposal by the CAISO Board of Governors.

Some stakeholders have raised concerns related to certain aspects of the proposal. The concerns that AWEA-California has been made aware of appear to center on the aspects of the new Off-Peak Deliverability Status (OPDS) and associated restrictions on self-scheduling for certain resources. Given these concerns, when this proposal is submitted to the Federal Energy Regulatory Commission (FERC), AWEA-California urges the CAISO to include language in the tariff filing letter indicating that the deliverability and OPDS proposals are intended to work together but can be severed in the unlikely, but possible, event that FERC does not approve the portions related to OPDS. While AWEA-California understands and supports CAISO intentions to jointly submit the new deliverability methodology and the OPDS construct in a single tariff filing to FERC, this simple language indicating the two pieces can be severed would allow the deliverability changes, that the CAISO grid desperately needs, to move forward in an expeditious manner even if the other portions are not approved. If this language is not included in the filing letter and FERC does not approve OPDS, it is likely that the full package would be remanded back to CAISO for revision, which would delay implementation of the new deliverability methodology at a critical time. By including a statement that would allow FERC to sever OPDS from the other changes, FERC can approve only the deliverability changes while providing guidance on the concerns associated with OPDS. And, if this were to happen, CAISO could, of course, revise the OPDS proposal in conjunction with stakeholders and submit a new filing to FERC, while the new deliverability methodology is implemented.

With the federal production and investment tax credits winding down, and CAISO's system in need of additional capacity resources, this is a crucial time for the CAISO to be able to accommodate incremental, clean-energy resources. The GDAM Proposal will facilitate the deployment of the next generation of solar and solar-plus-storage resources that expect to have high net qualifying capacity values and are striving to provide other grid services. The changes to GDAM will also facilitate new high capacity factor wind resources that tap world class wind resources offshore and throughout the West. It will be important for these capacity additions to be capable of achieving Full Capacity Deliverability Status in order to contribute to system needs and develop new Ancillary Service products most needed in an evolving system that has both near term and long term needs for both capacity and carbon-free resources. We therefore urge the CAISO Board of Governors to approve this proposal and request CAISO staff include language allowing the OPDS portion of the proposal to be separated, in order to protect against a further delay to this important change.

Sincerely,

A handwritten signature in black ink, appearing to read 'Danielle'.

Danielle Osborn Mills  
Director, AWEA-California  
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