

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 Straw Proposal for the Regional Resource Adequacy initiative that was posted on February 23, 2016. Upon completion of this template please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **March 16, 2016**.

Santa Clara agrees with and supports the comments being submitted by the Bay Area Municipal Transmission Group (BAMx) today regarding this initiative. The below comments are additional comments submitted by SVP.

Please provide feedback on the Regional RA Straw Proposal topics:

1. Load Forecasting
2. Maximum Import Capability Methodology
3. Internal RA Transfer Capability Constraints
4. Allocation of RA Requirements to LRAs/LSEs.
5. Updating ISO Tariff Language to be More Generic

We would urge the CAISO to ensure that FERC-approved tariff changes during the regionalization process do not impact California LSEs prior to their application to other newly-joining entities within a regional footprint. The purpose of the anticipated changes is to address an expanded regional market. There is no reason to burden existing CAISO market participants with the new provisions before the regional expansion takes place. Applying tariff changes to existing market participants, while the potential new entrants remain free from CAISO Resource Adequacy (RA) requirements, would place unneeded burdens on California LSEs and could place them at a competitive disadvantage.

6. Reliability Assessment

- a. Planning Reserve Margin for Reliability Assessment
- b. Resource Counting Methodologies for Reliability Assessment

SVP is concerned that different state laws and requirements, such as for the counting of resource adequacy attributes from intermittent resources (the ELCC methodology required by state law in California is an example), could create significant differences in how LRAs/LSEs are able to qualify similar resources for resource adequacy in different subregions of the regional entity.

Further, the process of developing and applying resource counting methodologies can be complicated. The CAISO needs to allow sufficient time to allow the details of such methodologies to be developed and worked out – in a robust stakeholder process. For example, one item that could be considered in such a process would be whether monthly Net Qualifying Capacity (NQC) figures should allow for updating as the year progresses to capture changes in available fuel (such as for hydroelectric resources).

Such resource counting methodologies need to be in place well in advance of any required demonstration under new regional RA rules to allow for LSEs to assess and potentially make adjustments to their resource portfolios. CAISO should ensure that any proposed changes to resource counting methodologies are addressed early on in the stakeholder process, and significant time should be provided between adoption of any changes and the first demonstration for which the new methodologies would be applied.

- c. ISO Backstop Procurement Authority for Reliability Assessment

7. Other

SVP continues to be concerned about the compressed time frame being provided for consideration of changes to long-established RA provisions. Aiming for a June Board presentation on this topic, in conjunction with the other major initiatives being addressed, fails to recognize the potential impacts on existing market participants as they plan for meeting RA requirements. The justification that potential new entrants need to obtain approvals from their regulators does not justify acting in haste and unnecessarily burdening existing market participants. The Straw Proposal indicates that major elements, such as the development of regional RA counting methodologies, are to be resolved in some future stakeholder process. Though the timing for these future events is unclear, it is critical that they not be rushed and allow for full engagement by all stakeholders.

Lastly, SVP is concerned that the sequential nature of the CAISO process asks the stakeholders to provide input on proposed structural changes on a conceptual basis

while the ramifications of such changes are to be defined at some later date. For example, as noted above, there are both local requirements concerning RA counting to be addressed as well as new counting methodologies that will likely be developed. Therefore it is difficult to assess and support a proposal for regional RA counting rules when much of the detail has yet to be defined.