

Stakeholder Comments Template

Subject: Regional Resource Adequacy Initiative – Working Group, July 21, 2016

Submitted by	Company	Date Submitted
<i>(submitter name and phone number)</i>	<i>(company name)</i>	<i>(date)</i>
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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 July 21, 2016 and covered the topics of Maximum Import Capability, Imports for RA issues, and Uniform Counting Rules. Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **July 29, 2016**.

Please provide feedback on the July 21 Regional RA Working Group:

1. Maximum Import Capability (MIC) calculation methodology proposal

- a. Do you support the ISO's proposal to modify the methodology for calculating the MIC values in an expanded BAA for use in limited circumstances to reflect situations where a PTO that joins the ISO has a need to serve its peak load that occurs non-simultaneously with the rest of the system and when there are no simultaneous constraints between certain areas of an expanded ISO BAA? If not, why not?

SVP has no comments on this item at this time.

- b. Do you support a transition period or transitional mechanism for this MIC calculation proposal?

Yes – as this would appear to minimize implementation issues and potential confusion from questions and complications.

- c. Please provide any further details or positions on the ISO's proposal to modify the methodology for calculating the MIC values in an expanded BAA.

SVP has no comments on this item at this time.

2. MIC allocation methodology proposal

- a. Do you support the ISO's proposal to modify the methodology for allocating the MIC to LSEs in an expanded BAA, in order to limit initial allocations of MIC capability to particular sub-regions of ISO that would be defined by the Regional TAC Options sub-regions? If not, why not?

SVP appreciates the CAISO's statements ensuring that a modified MIC capacity allocation process will continue to recognize and honor existing contractual rights and commitments. SVP needs assurances that it will be able to obtain MIC allocations sufficiently covering its existing contracts and commitments (as it does today).

Based on this initiative's discussions to date on potential MIC calculation/allocation and import resources changes – and as more details are added for consideration – SVP submits there may be challenges in allocating MIC based on existing commitments, such as with existing contracts that involve firming and shaping of resources. At times, the daily scheduling of deliveries under such contracts may involve or result in different sources on different days, where some sources might require new MIC allocations or uses when the sources are located in the expanded CAISO footprint. However, there may be a majority of days where the contractual deliveries originate outside/beyond the CAISO expanded footprint and would not need a new MIC allocation or use beyond existing MIC allocations. Thus SVP and other market participants may require some MIC allocation flexibility as existing delivery scenarios are considered within an expanded CAISO footprint.

- b. Do you agree that splitting of the initial MIC allocations among sub-regions, combined with the ability to bilaterally transfer MIC between the Regional TAC Options sub-regions and the final Step 13 ability to nominate any remaining MIC anywhere in the footprint will properly balance MIC allocation method needs for an expanded BAA? If not, why not?

SVP has no comments on this item at this time.

- c. Do you support a transition period or transitional mechanism for this MIC allocation proposal?

Yes, consistent with our response provided in Section 1(b) above.

- d. Please provide any further details or positions on the ISO's proposal to modify the methodology for allocating MIC in an expanded BAA.

SVP has no comments on this item at this time.

3. Substitution of internal Resource Adequacy resources with external resources

- a. Do you support the ISO's proposal to allow external resources to substitute for internal RA resources experiencing outage requiring substitution?

Yes.

- b. Do you believe that one of the conditions of allowing external resource to substitute for internal RA resources should be that the external resource has similar operating characteristics of the outage resource? If so, how would the ISO determine the external resource substitute has similar characteristics?

No.

- c. Please provide any further details or positions on substitution of internal Resource Adequacy (RA) resources with external resources.

SVP has no comments on this item at this time.

4. Import resources that qualify for Resource Adequacy

- a. Do you agree that the rules for import resources qualifying for RA should be clarified in order to remove ambiguity from the Tariff?

SVP supports the response to this question provided by NCPA in its submitted comments.

- b. Do you believe that there should be a role for bilateral spot market energy purchases or short-term firm market energy purchases procured outside of the ISO BAA to qualify for RA meet a portion of an LSE's requirements? If so, why? If not, why not?

SVP has no comments on this item at this time.

- i. If you believe that some types of energy-only transactions should qualify for RA purposes, should there be a limit or cap on the volume that individual LSEs could utilize those resources for RA purposes?

SVP has no comments on this item at this time.

- ii. How could the ISO actually analyze the reliability that would be provided with various levels of these energy transactions being used to meet RA requirements?

SVP has no comments on this item at this time.

- c. Please provide any further details or positions on import resources qualifying for RA purposes.

SVP has no comments on this item at this time.

5. Uniform counting rules proposal

- a. Do you agree with the ISOs proposal to use the Pmax methodology for most thermal resources and participating hydro? If not please specify, why not? Are there elements of this methodology that require additional detail prior to a policy filing?

In general, SVP is supportive of the PMax methodology proposed for thermal resources and large hydro facilities. That said, SVP would appreciate a description of the term “participating hydro”. Depending on the definition of “participating hydro”, SVP may have additional comments on this item that it will want to submit during the remainder of this stakeholder process.

- b. Do you agree with the ISOs proposal to use ELCC to establish the capacity values for wind and solar resources? If not, please specify why not. Are there elements that require additional detail prior to a policy filing?

SVP is supportive of the CAISO’s proposal to use ELCC to establish the capacity values for wind and solar resources. This is an important development so that the capacity contribution of such resources can be properly considered in determining whether policy driven transmission upgrades - to access the capacity from such resources - are justified. SVP has previously detailed its concerns regarding the use of the LOLE methodology, and if the sole purpose of LOLE is to establish a PRM, then

SVP questions whether the additional complexity is justified. (See SVP's Comments on CAISO's Regional Resource Adequacy Second Revised Straw Proposal at 2-3 (June 15, 2016).) However, to the extent a LOLE methodology is a required element of the calculation of the ELCC for specific resources, SVP believes that the development of LOLE tools for that purpose may have significant, demonstrable benefits to California consumers.

- c. Are there any element of an ELCC methodology that must be established prior to the ISOs policy filing?

See our response to Section 5(b) above.

- d. Do you agree with the ISOs proposal to use the historical methodology for run-of-the-river hydro, and Qualifying Facilities including Combined Heat and Power? If not please specify, why not? Are there elements of this methodology that require additional detail prior to a policy filing?

SVP has no comments on this item at this time.

- e. Do you agree with the ISOs proposal to use the registered capacity value methodology for load based capacity products such as PDR, RDRR, and Participating Load? If not please specify, why not? Are there elements of this methodology that require additional detail prior to a policy filing?

SVP has no comments on this item at this time.

- f. Do you agree with the ISOs proposal to use the registered capacity value methodology for Non-Generator Resources (NGR) and pumped hydro? If not please specify, why not? Are there elements of this methodology that require additional detail prior to a policy filing?

SVP has no comments on this item at this time.

- g. Are there any additional uniform counting rules that should be developed prior to the ISOs policy filing?

SVP has no comments on this item at this time.