

Stakeholder Comments Template

Regional Resource Adequacy Initiative Issue Paper

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the issue paper for the Regional Resource Adequacy Initiative that was posted on December 9, 2015. The issue paper and other information related to this initiative may be found at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/RegionalResourceAdequacy.aspx>.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **January 7, 2016**.

If you are interested in providing written comments on the issue paper, please provide your comments below.

Six Cities' Comments: The Six Cities agree wholeheartedly with the following general principle restated at page 5 of the December 9, 2015 Issue Paper on Regional Resource Adequacy: "The rules should allow for regional differences, but ensure that individual load serving entities meet their respective requirements without 'leaning' on other load serving entities." The Six Cities anticipate that achieving the appropriate balance for both objectives will involve significant challenges.

Based on discussion at the December 16, 2015 meeting on Regional RA, it appears that there currently are substantial differences in the nature and scope of resource adequacy practices and policies in place in the six states served by PacifiCorp as compared with the ISO BAA. The RA program for the ISO BAA, developed in conjunction with the Local Regulatory Authorities ("LRAs") for the Load Serving Entities ("LSEs") within the ISO BAA, is both comprehensive and highly detailed, although policy differences among LRAs are respected. At this time it is unclear whether the ISO RA program can be applied to the PacifiCorp entities consistent with the policies of the various LRAs that have jurisdiction over PacifiCorp's retail services.

The Six Cities suggest that development of a Regional RA program include, at a minimum, the following sequential steps:

- 1) Identification of the fundamental elements of RA policy (*e.g.*, planning reserve margin, forecasting methodology for load, forecasting methodology for Variable Energy Resource output, methodology for determining flexible capacity requirements, methodology for determining local capacity requirements, reporting requirements for LSEs, reporting

requirements for resources, must-offer requirements, availability standards, rules for replacement/substitution for RA resources on outage, and backstop procurement procedures);

- 2) Analysis of which elements must be applied on a uniform basis to maintain reliability across the integrated BAA and which could be subject to variation among zones or local areas within the BAA;
- 3) For elements that must be applied on a uniform basis throughout the integrated BAA, development of the applicable rules and implementing tariff provisions;
- 4) For elements that can be subject to variation without impairing reliability, development of procedures to ensure that costs associated with policy variations are borne by the zones or areas within which those policies apply, consistent with the cost causation principle.

In conducting the foregoing analysis, the Six Cities suggest that application of consistent rules throughout the integrated BAA will be necessary (1) where zonal or local variations would impair overall system reliability, or (2) where the economic impacts of zonal or local variations cannot be confined to the zone or local area in which a variation in policy or practice applies. At this time, the Six Cities believe that, at a minimum, must-offer obligations for RA resources must be uniform throughout the integrated BAA. In addition, in developing rules that will be applied uniformly throughout the integrated BAA, the ISO should consider the extent to which current practices applicable in the ISO BAA can or should be modified in light of the overall resource fleet and load characteristics of the new integrated BAA.