

## 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](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **August 17, 2016**.

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

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.

Six Cities’ Comments: The Six Cities find the examples of Regional RA assessment and validation of LSE RA Plans and Supply Plans to be clear.
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.

Six Cities' Comments: The Six Cities find the examples of the Regional RA reliability assessment backstop procurement cost allocation to be clear.

3. Please provide any further feedback your organization would like to provide on the proposed Regional RA reliability assessment process.

Six Cities' Comments: The Six Cities have two additional comments regarding the proposed Regional RA reliability assessment process - -

a) The Six Cities continue to support consistent application of uniform counting methodologies for reliability assessment. As publicly-owned systems subject to governance by their City Councils and Public Utility Boards, the Six Cities seek to preserve the jurisdiction of Local Regulatory Authorities (“LRAs”), including their own, to the maximum extent possible. Therefore, to the extent that local RA requirements reflect conditions specific to defined sub-regions, such that local RA needs and the consequences of failure to satisfy those needs can be isolated to the relevant sub-region, it may be appropriate to apply localized methodologies determined by the relevant LRA for assessment of local RA requirements. However, with respect to system and flexible RA requirements, it is difficult to see how an expanded regional ISO operated as a single, integrated BAA could apply different reliability assessment metrics, in terms of system and flexible RA requirements or counting methodologies, for different sub-regions within the regional ISO without creating the potential for capacity leaning and associated cost-shifting among sub-regions and/or degradation of overall system reliability.

b) The ISO’s proposed approach for establishing a Planning Reliability Margin (“PRM”) may overstate the PRM necessary for reliable operation of the grid, because it does not consider the effect of the ISO’s substitution rules and the RAAIM penalty. As reflected in Slide 35 of the August 10 workshop presentation, the PRM is designed to provide a total pool of resources sufficient to serve 100% of forecast load plus an allowance for forecast error and unanticipated (*i.e.*, forced) outages. The ISO’s substitution rules and RAAIM penalty seek to encourage Scheduling Coordinators for resources to provide substitute capacity for resources on forced outage. To the extent substitute resources are provided for RA resources on forced outage, the portion of the PRM to account for forced outages will be overstated. The Six Cities agree with the suggestion at the August 10 workshop that the target PRM take into account anticipated substitution practices.

4. Please provide any feedback on the other discussions that occurred on the other Regional RA topics during the working group meeting.