

## Stakeholder Comments Template

### Subject: Regional Resource Adequacy Initiative – Working Group, July 20, 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 July 20, 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](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **July 29, 2016**.

Please provide feedback on the July 20 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?

Yes, the Utah Office of Consumer Services ("Utah OCS") supports the ISO's proposal to modify the methodology used to calculate MIC values based on the non-coincident peak load in the new load area, and in which no simultaneous constraints exist. The Utah OCS believes this is important given the potential for peak loads to occur in very different months and different hours in areas across an expanded ISO. However, the Utah OCS requests clarification of how the ISO intends to evaluate simultaneous constraints and how those constraints will affect the MIC calculation if they are found to exist. Please provide an example demonstrating how the modified calculation will be performed and how it will be impacted by simultaneous transmission constraints.

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

No, the Utah OCS does not support a transition period or transitional mechanism. This includes the proposal that PG&E made at the July 20, 2016 Working Group meeting. At that meeting, PG&E proposed to use a 3-year transition period to go from using non-coincidental peaks to a coincident system peak in the calculation of MIC values. This proposal would not address our concerns about the potential problems caused by regional peak loads occurring in very different months and different hours across an expanded ISO.

- 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.

While the Utah OCS opposes a specific transition mechanism, the Utah OCS would not be opposed to a defined review of the MIC methodology being conducted at the end of a specified time period that could lead to the possibility of updating the MIC calculation method based on the actual performance of an expanded ISO BAA.

## 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?

The Utah OCS continues to support the ISO's proposal to allocate MIC capability to LSEs in sub-regions that have been proposed in the TAC stakeholder process.

- 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?

Yes, the Utah OCS believes that splitting the initial MIC allocations among sub-regions, but also allowing remaining unassigned MIC to be obtained by other LSEs is a fair process, because after the initial allocation there is still the opportunity for unallocated MICs to be allocated to other sub-regions in Step 13.

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

We continue to oppose a transition period or transitional mechanism. But as mentioned previously, the Utah OCS would not be opposed to a defined review being conducted at the end of a specified period that could lead to the possibility of updating the MIC allocation method based on the actual performance of an expanded ISO BAA.

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

### 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, the Utah OCS agrees with the ISO that requiring internal resources that experience an outage to only be substituted with other internal resources would be too restrictive to a new LSE joining a regional ISO, given that numerous external resources may be available to assist in serving a new LSE's load. The Utah OCS supports the change that the ISO has proposed to allow external resources to be able to substitute when an internal resource suffers an outage.

- 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?

The Utah OCS is open to the idea of requiring external resources that would be used to substitute for internal resources to have similar operating characteristics. However, at this time, the Utah OCS does not offer a recommendation as to how the ISO should determine that the external resource substitute has "similar characteristics."

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

### 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?

The ISO has asked parties whether they believe the rules for import resources qualifying for RA should be clarified, including defining how "firm" a resource commitment should have to be. The Utah OCS understands that currently the ISO's rules allow LSEs to meet RA capacity requirements using imported resources that do not have to be tied to a specific physical resource. The Utah OCS believes that it is reasonable to continue this approach, and in fact, is necessary because PacifiCorp relies on the acquisition of short term firm purchases to serve its load requirements. PacifiCorp should continue to be permitted to use short term firm purchases for RA if it joins a regional ISO. To implement stricter requirements on these import resources would be needlessly burdensome and lead to PacifiCorp incurring higher costs than necessary, undermining any potential benefits of joining an expanded ISO.

- 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?

The Utah OCS believes that short-term firm market energy purchases procured outside the ISO BAA should be permitted to qualify for RA. This is consistent with PacifiCorp's planning and operations currently and it is our understanding that short-term firm market energy purchases are permissible under the ISO rules as they exist today. The Utah OCS is not aware of any concern that either the ISO or PacifiCorp have operated unreliably, and the Utah OCS does not believe that by joining a regional ISO, PacifiCorp or the ISO would as a result become less reliable.

- c. 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?

Not at this time. But as mentioned previously, the Utah OCS would not be opposed to a defined review being conducted at the end of a specified period leading to the updating of RA policies based on the actual performance of an expanded ISO BAA.

- d. 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?

The Utah OCS believes this could be developed through further discussions in the stakeholder process.

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

#### 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?

The Utah OCS believes this is reasonable. As far as additional detail prior to a policy filing, the Utah OCS believes that the ISO should develop an estimate of resource counting for the potential members of a regional ISO using the proposed methodology. It is one thing to review methodologies in an abstract way, however, a better assessment could be made of the proposed methodology based on the use of actual data.

- 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?

The Utah OCS is comfortable in the ISO using an ELCC methodology to establish the capacity value for wind and solar resources. For purposes of the policy filing, the ISO should develop a set of guiding principles for how it will perform the ELCC analysis, however, it would probably not be necessary to identify the exact methodology in the policy filing.

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

The ISO should explain more fully how long it believes it will take to develop the ELCC methodology, and explain in greater detail about its plans to rely on the exceedance methodology until the ELCC methodology is implemented.

- 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?

The Utah OCS does not have a recommendation at this time, however, the Utah OCS reiterates that it would be easier to evaluate this if the ISO could provide examples using actual data.

- 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?

The Utah OCS does not have a recommendation at this time, however, the Utah OCS reiterates that it would be easier to evaluate this if the ISO could provide examples using actual data.

- 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?

The Utah OCS does not have a recommendation at this time, however, the Utah OCS reiterates that it would be easier to evaluate this if the ISO could provide examples using actual data.

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

The Utah OCS does not have any additional recommendations at this time.