

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. Submissions are requested by close of business on **August 24, 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.

The Utah Office of Consumer Services (Utah OCS) understands the examples of reliability assessment validation of the LSE RA Plans and Supply Plans. However, there are other resource adequacy calculations for which the Utah OCS would like additional clarification and examples to be provided. In the OCS's July 29, 2016 comments, the Utah OCS requested the ISO to "develop an estimate of resource counting for the potential members of a regional ISO using the proposed methodology." In other words, the Utah OCS would like an estimate of the proposed resource adequacy calculations using actual data of the CAISO and PacifiCorp to see how the calculations would actually work using realistic data. This should be done for about 20 actual resources including a

variety of resource types such as coal, nuclear, gas, wind, solar, geothermal, demand side-management, energy efficiency, purchases such as what PacifiCorp commonly refers to as Front Office Transactions, pseudo-tie resources and transactions at market hubs.

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.

The Utah OCS understands the examples of reliability assessment backstop procurement cost allocation. See additional comments above under question #1.

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

In our March 21, 2016 comments on the ISO's RA straw proposal, the Utah OCS stated: "...we think that the requirement to meet the ISO's reliability assessment will force our LSE to change its current procurement program and that the ISO's stated "deference" to LRA and LSE procurement and RA programs will be irrelevant." The Utah OCS requests that the ISO explain how it will implement uniform PRM and counting methods for its reliability assessment while at the same time maintain deference to each LSE's LRA approved resource procurement and RA programs.

In addition, the Utah OCS has a concern about the Backstop Procurement cost allocation methodology. We believe it is unfair that a LSE that has excess capacity should be obligated to supply its excess capacity without compensation to another LSE. It should be a requirement that all LSEs either ensure they have no deficiency or the regional ISO should make a backstop procurement on their behalf. The deficient LSE could either enter into a bilateral agreement with the LSE that has excess or it could allow the ISO to acquire backstop capacity on its behalf.

The Utah OCS would also like to reiterate our earlier comments filed with the CAISO on June 17, 2016, in which we stated that the Local Regulatory Authority (LRA) should have the ultimate authority to require a higher or lower Planning Reserve Margin (PRM) than what the regional ISO might establish. However, once the PRM that includes LRA requirements is set for the reliability assessment, then the ISO's Backstop Procurement methodology should apply, with the modification that deficient LSE's must always satisfy their own capacity deficiencies regardless of whether there is a cumulative capacity surplus or not. Again, the deficient LSE could avoid the ISO acquiring backstop capacity and assigning those costs to the LSE by entering into a bilateral agreement with any other LSE that has a surplus amount of capacity.

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

The Utah OCS does not have any other feedback at this time.