

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 17 24, 2016**.

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

GENERAL COMMENTS

Based on the discussion at the Working Group meeting, CLECA understands that the CAISO will *not* be seeking Board approval of a Regional RA policy proposal in October 2016. Rather, the CAISO seeks written comments on the August 10 working group discussion, which staff will then assess and use to determine a reasonable path forward, with the possibilities of another Working Group meeting, or a revised, more detailed written proposal. CLECA supports the latter path as a better, more efficient use of stakeholders' time and efforts. It is difficult to provide cohesive, comprehensive and constructive comments to a power point presentation and working group discussion on discrete topics, particularly when there has been no response to prior stakeholder written comments. Commenting on a concrete, comprehensive and detailed written proposal is preferable, and the revised written proposal should be accompanied by a matrix of stakeholder comments and CAISO responses.

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.

Not fully. Examples should be included in a written, detailed staff proposal for stakeholders to review, and then parties should be able to indicate if further details or additional clarity is required.

As was discussed at the meeting, the RA compliance and evaluation timeline on slide 13 was initially confusing because it was based on an expected future timeline, rather than the existing timeline in place today. It appears from the timeline, however, that the need assessment for a CPM backstop procurement occurs in the T-30 to T-35 timeframe. More detail should be provided on what the cure period would be for an LSE that is deemed to be deficient; if the cure period is only 5 days (which is not clear), that may not be sufficient.

In connection with the deficiency cure period concerns, CLECA remains concerned about possible discrepancies in counting rules between a Regional ISO and a Local Regulatory Authority. Slide 16 states that the ISO “will post uniform counting rules capacity value for individual resources advance of procurement timeframe.” CLECA has previously asked for clarification of what would happen if the Regional ISO counting rules differed from a LRA’s counting rules and how such a discrepancy would be resolved. This issue was discussed again at the working group meeting, with no resolution.

It was suggested that if the LRA counting convention differs from the Regional ISO and lets some resources count for more MW than what the Regional ISO would count, the Regional ISO would limit the LSE’s showing while the LRA would accept a higher number. CLECA notes that if a deficiency were found in that case, (even though the LRA finds no deficiency), the allocation of those CPM costs would likely be contentious.

CPUC staff suggested that uniform counting rules be applied only where the counting rules differ from the CPUC counting rules, and that, otherwise, deference be given to the LRA’s counting rules. CLECA supports this suggestion as, at least in the beginning, the CPUC would be the largest LRA in a Regional ISO. PacifiCorp was requested to provide a link to the various LRAs’ counting rules so these could be compared, and CLECA looks forward to reviewing those counting rules to see what differences, if any, there are with the CPUC’s current counting rules.

CLECA repeats its request for a delineation of a clear process that would be used in the event of a counting discrepancy between the regional ISO and the LRA, particularly if the counting discrepancy were to lead to a deficiency – and the process should include what would be the cure period and timeline in such cases. The uniform counting rule policy could be problematic if there’s not a clear process for resolving discrepancies. While the CAISO may be hoping that a mismatch in counting rules does not happen, it cannot ignore the fact that this has happened in the recent past and may again 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.

See response above.

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.

No response at this time.

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

The presentation was confusing; more detail, and more attention to detail, is required and it should be provided in a clear, written proposal. For example, on slide 35, the graphic representation of the PRM includes columns for forecasts, reserves, operating needs (apparently the forecast plus reserves), and then “reasonably expected forecast error and forced outage” (9%), a PRM of 115%, then 5% forecast error, 12% forced outage and a 123% maximum potential need. The relationship between the amounts for forecast error and the unexpected forced outages appear duplicative or overlapping. Forecast error is different than forced outages and how all these components will play into a proposed Regional RA reliability assessment process requires much more explanation. That explanation must also be given in a much clearer fashion.

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

On testing DR:

While no slides were presented on testing Demand Response and other non-generator resources, this was discussed. CLECA maintains that a monthly testing requirement for DR may not strike the right balance between verifying the resource’s ability and burdening these resources.

This topic should be addressed carefully in the next written proposal.