

Subject: 2020 Local Capacity Requirements Draft Study Manual

Submitted by	Company	Date Submitted
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CPUC staff appreciates the opportunity to comment on the California Independent System Operator (CAISO) Draft Manual, 2020 Local Capacity Area Technical Study and the October 31, 2018 presentation entitled, “2020 Local Capacity Technical Study Criteria – Methodology and Assumptions.” Energy Division staff comments are summarized below:

1. CPUC staff encourages CAISO to expedite its local capacity technical study schedule;
2. CAISO should provide local area and sub-area load data;
3. Energy Division staff appreciates the use of generation at time of study for solar and wind resources, but is concerned with the capping of solar and wind production at NQC level;
4. Energy Division staff encourages CAISO to incorporate any LCR changes made in the RA Track 2 decision to its LCR study processes

CPUC staff encourages CAISO to expedite its local capacity technical study schedule

In its October 31, 2018, presentation, CAISO presented a schedule that culminates in presentation of a final study on May 1, 2019. CPUC staff requests that CAISO expedite this schedule in order to finalize the year 1 LCR reports by April 16, 2019. CPUC staff would support a potential shortening of comment periods in order to allow for this requested timeline.

CAISO should provide local area and sub-area load data

In the interest of transparency, CPUC staff recommends that CAISO provides the 1-in-10 load forecasts and historical data for each local area and sub-area. While CAISO has provided the 1-in-10 forecast for the local area in aggregate and at the sub-area level for the 2018 and 2019 LCR study, CPUC staff requests CAISO to provide historical load information for each local area and sub-area, similar to the historical load data for the Moorpark Subarea that was made available to parties on September 28, 2017, in response to a data request from CEERT. If this is overly burdensome, CPUC staff requests CAISO to provide as much historical load data as possible.

CPUC staff appreciates the use of generation at time of study for solar and wind resources, but is concerned with the capping of solar and wind production at NQC level

CPUC staff disagrees with the proposal to cap generation resources of wind and solar at their net qualify capacity.¹ Energy Division staff recommends keeping the generation level of wind and solar at the level corresponding to the time of study without setting a cutoff point.

The current NQC values of wind and solar generators are set relative to an ELCC study which determines the value of generators to provide reliability benefit in all hours of the day and all days of a month, and generators sometimes operates at a higher level than NQC and sometimes at a lower level. For the purposes of the LCR study, it makes sense to use actual generation data for the time period of the study rather than the ELCC-based NQC estimates.

CPUC staff encourages CAISO to incorporate any LCR changes made in the RA Track 2 decision to its LCR study processes

CPUC staff notes that the RA proceeding (R.17-09-020) Track 1 decision concluded that implementation for a central buyer structure for multi-year local RA requirements should be initiated for 2020.² Track 2 of this proceeding has been working to further develop this framework. A decision is scheduled for Q4 2018.

CPUC staff requests that any process changes made in the Track 2 decision related to setting multi-year RA local requirements be incorporated into the short-term and long-term LCR studies. In particular, staff requests that any information necessary to inform the central buyer in the procurement of Local RA capacity be provided to ensure that Local RA procurement is cost effective and supports our reliability goals. This information-sharing may take the form of a ranking or specification of the most optimal or pivotal resources to procure in local areas and consultation between CAISO and CPUC staff regarding trade-offs between generation and transmission improvement.

¹ Page 6, California ISO 2020 Local Capacity Area Technical Study Draft, October 23, 2018.
<http://www.caiso.com/Documents/2020LocalCapacityRequirementsDraftStudyManual.pdf>

² D.18-06-030 COL 13