



Comments of Cogentrix Energy Power Management, LLC on the 2019 and 2023 Draft LCR Study Results

Submitted by	Company	Date Submitted
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Cogentrix Energy Power Management, LLC (Cogentrix) appreciates the opportunity to participate in the CAISO’s Local Capacity Requirements Process. Cogentrix also appreciates the effort that the CAISO staff puts into the technical studies for the identification of local capacity requirements and reliability planning. Upon review of the draft study results, Cogentrix submits the following comments on the 2019 and 2023 Draft LCR Study Results.

2019 & 2023 Draft LCR Study Results: All Local Areas

Net Qualifying Capacity (NQC) – Cogentrix continues to support both CAISO and CPUC initiatives underway to reform the Resource Adequacy program that are intended to help address proper identification of needed resource attributes, adequate compensation for reliability benefits, and better short- and long-term market signals for resources based on reliability needs. While Cogentrix supports current initiatives, it must be recognized that these initiatives are meant not to improve functional processes in place, but to repair broken ones. As was the case this time last year, Cogentrix’s two peaker plants in the San Diego area provide valuable flexibility to the CAISO that is frequently accessed, yet are uncontracted for 2019 and face the risk of unavailability absent receiving a full year contract. Cogentrix reiterates comments made in previous forums before the CAISO, CPUC and CEC. It is imprudent to assume that the NQC of all generation currently connected to the grid is available for the purposes of determining resource adequacy requirements, broadly speaking. This is true when looking at the following year requirements and it is especially concerning when looking at requirements five years away.

Sensitivities – Cogentrix notes that sensitivities that are studied by the CAISO are generally not fully addressed or discussed during draft study presentations, which makes the vetting process difficult following the release of the final studies. In particular, Cogentrix urges the CAISO to

carefully consider including several sensitivities in the final studies, with a particular emphasis on Aliso Canyon gas storage availability and transmission project delays.

2019 & 2023 Draft LCR Study Results: LA Basin and San Diego-Imperial Valley Areas and San Diego-Imperial Valley non-bulk sub-areas

NQC of Navy QF resources – Based on publically available information, three QFs at Navy and Marine installations in San Diego with a combined NQC of 96 MW should be removed from the QF qualifying capacity totals for 2019 and beyond as project owner does not have site control for any of the projects. The resources known as North Island and Naval Station, with NQCs of 34.47 and 41.54MW respectively, ceased operations on February 7, 2018^{1,2} in relation to loss of site control. The resource known as Naval Training Center, with an NQC of 20.47MW also lost site control in February 2018³. These resources should not be reflected in the available resources for the San Diego-Imperial Valley Area. Cogentrix encourages a thorough review of the NQC data, as inconsistencies arise from time to time and non-deliverability situations may occur.

¹ <https://www.atlanticpower.com/north-island>

² <https://www.atlanticpower.com/naval-station>

³ <https://www.atlanticpower.com/naval-training-center>