

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Develop an
Electricity Integrated Resource Planning
Framework and to Coordinate and Refine
Long-Term Procurement Planning
Requirements.

Rulemaking 16-02-007
(Filed February 11, 2016)

**COMMENTS OF THE CALIFORNIA INDEPENDENT
SYSTEM OPERATOR CORPORATION**

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Dated: December 9, 2019

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The California Independent System Operator Corporation (CAISO) hereby provides comments on the California Public Utilities Commission's (Commission) baseline list of resources (Baseline Spreadsheet). The Baseline Spreadsheet provides a comparison to identify incremental procurement required pursuant to Ordering Paragraph #6 of Decision (D.) 19-11-016. The Commission posted the Baseline Spreadsheet on its website on December 2, 2019.

I. Introduction

The Commission should use or conform the Baseline Spreadsheet to the most recently available 2020 Net Qualifying Capacity (NQC) list. The NQC list is the most appropriate data set because it reflects the most up-to-date listing of resources available to be procured for the resource adequacy purposes. As provided, the Baseline Spreadsheet is incomplete, contains factual errors, and does not clearly establish a baseline that allows for replacement in case of contract failure or incremental resource comparison. Specifically, the Commission should ensure that the Baseline Spreadsheet explicitly reflects imports.

II. Discussion

A. The Commission Should Ensure the Baseline Spreadsheet Is Based on, or Conforms to, the Net Qualifying Capacity List.

The "Instructions" tab of the Baseline Spreadsheet explains that its resource mapping comes from modeling data used to produce the Preferred System Portfolio for the 2017-2018 integrated resource plan (IRP) cycle. The modeling data ultimately points back to several

sources, including the publicly available Net Qualifying Capacity (NQC) spreadsheet.¹ In fact, this was one of the main data sources Energy Division staff used to verify the capacity shortfall.²

Based on the CAISO's review of the Baseline Spreadsheet, resource data from prior IRP cycles is incomplete, contains factual errors, and does not clearly establish a baseline that allows for replacement in case of contract failure or incremental resource comparison. Rather than relying on historical modeling data, the Commission should use the final 2020 September NQC values, net of appropriate adjustments, to establish the baseline. The NQC list is the most appropriate data set because it reflects the most up-to-date listing of resources available to be procured for the resource adequacy program. Using the NQC list, the Commission would then need to make additional adjustments such as removing the once-through cooling (OTC) resources and any announced retired or mothballed resources to reflect the known capacity changes beyond the 2020 resource adequacy year.

In analyzing the Baseline Spreadsheet, the CAISO identified a few high-level observations, but cannot provide more detailed analysis due to the challenges with interpreting Energy Division staff's data. The CAISO identified the following challenges in interpreting the Baseline Spreadsheet:

- **Nameplate capacity** – The Baseline Spreadsheet provides “nameplate capacity” figures, but the actual values may reflect “net dependable” or “net qualifying capacity.” This is particularly important for hydro resources. For example, the CAISO's 2021 resource adequacy analysis based on 2019 NQC values uses a total of 8,074 MW for all hydro resources (including large, small, and pumped storage hydro, but excluding Hoover).³ From the Baseline Spreadsheet, the total capacity for all hydro resources is 9,971 MW, or 9,174 MW excluding the CAISO's 797 MW share of Hoover. The CAISO has not been able to validate if the discrepancy is due to differences in using nameplate versus NQC values or if there are more hydro resources included in the Baseline Spreadsheet. For consistency, the Commission

¹ Available at: <http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=9A94E71F-5542-49E8-BFBF-B9E00A2EC11B>

² *Assigned Commissioner and Administrative Law Judge's Ruling Initiating Procurement Track and Seeking Comment on Potential Reliability Issues*, R.16-02-007, November 6, 2019, p. 7.

³ CAISO, *Reply Comments on Potential Reliability Issues Integrated Resource Planning*, R.16-02-007, August 12, 2019, Attachment A, Table A-2, row [6] for 2021, <http://www.caiso.com/Documents/Aug12-2019-ReplyComments-PotentialReliabilityIssues-IRP-R16-02-007.pdf>.

should use the final 2020 September NQC values to identify capacity actually available for contracting and able to serve peak load.

- **Inconsistent naming conventions and formatting** – Spreadsheets can automate matching and comparison exercises but are ineffective if there are inconsistent naming conventions or formatting. These barriers greatly increase the need for manual workarounds and the difficulty in error-free resource tracking and reporting. For example, the Baseline Spreadsheet uses both CAISO’s Resource IDs as well as project IDs assigned by load serving entities,⁴ even when those resources are operating and have a CAISO-assigned Resource ID. The Commission should use the Resource IDs as shown on the NQC list and standardize the formatting to facilitate easy comparison with NQC lists.
- **Outdated data** – The CAISO identified several instances of outdated data in the Baseline Spreadsheet. The CAISO could not conduct a comprehensive review because of the challenges noted above but a first-level analysis showed 1,372 MW of resources included in the baseline that are either retired or will not be developed such as:⁵
 - Puente Power Plant (262 MW, CAISO_Peaker1) – Project cancelled;
 - Etiwanda Generating Station units 3 and 4 (640 MW, CAISO_ST) – Units retired;
 - Various combined heat and power, natural gas peaking, biomass, solar and wind projects (470 MW) – Units retired or are approved for retirement by the end of 2019.

The Commission should use the final 2020 September NQC list and supplement it with the most recent retirement and mothball list from the CAISO.

B. The Commission Should Consider How the Baseline Resources Support Incremental Procurement.

The Baseline Spreadsheet should serve two main purposes. First, the list of resources establishes a starting point from which the Commission and stakeholders can count incremental

⁴ Baseline Spreadsheet, “Instructions” tab.

⁵ For details, *see* Table A-1 in Attachment A. The up-to-date mothball and retirement list is available publicly on the CAISO website at: <http://www.caiso.com/Documents/AnnouncedRetirementAndMothballList.xlsx>

procurement to overcome the near-term shortfall. Although this purpose was the main focus of this procurement track, another equally important purpose is to ensure that baseline resources which retire, mothball, or otherwise cease to operate are either re-contracted for or replaced. Maintaining or replacing baseline resources is as critical as incremental procurement given the significant shortfall and compressed procurement timeline.

In addition, it is still not clear from the Baseline Spreadsheet how the Commission intends to consider imports. The maximum import capacity limit was not included in the Baseline Spreadsheet, nor is a list of dynamically scheduled or pseudo-tied resources (other than Hoover and Palo Verde) against which incremental imports can be compared. The Commission should clarify its counting of imports by explicitly including this resource type in the Baseline Spreadsheet.

III. Conclusion

The CAISO appreciates the opportunity to submit comments on the Baseline Spreadsheet.

Respectfully submitted,

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Date: December 9, 2019

ATTACHMENT A

Table A-1: Detailed Retirements and Cancellation List

Resource ID	Resource Name	Nameplate Capacity (MW)	Resource Type	Category
GRNLF1_1_UNITS	GREENLEAF #1 COGEN AGGREGATE	46.96	CAISO_CHP	Retired
ELCAJN_7_GT1	EL CAJON	16.36	CAISO_Peaker2	Retired
DIVSON_6_NSQF	DIVISION NAVAL STATION COGEN	43.07	CAISO_CHP	Retired
ETIWND_7_UNIT 3	ETIWANDA GEN STA. UNIT 3	320.00	CAISO_ST	Retired
ETIWND_7_UNIT 4	ETIWANDA GEN STA. UNIT 4	320.00	CAISO_ST	Retired
KEARNY_7_KY3	KEARNY GT3 AGGREGATE	61.00	CAISO_Peaker2	Retired
MRGT_7_UNITS	MIRAMAR COMBUSTION TURBINE AGGREGATE	36.00	CAISO_Peaker2	Retired
NIMTG_6_NIQF	NORTH ISLAND QF	34.98	CAISO_CHP	Retired
PTLOMA_6_NTCQF	NTC/MCRD COGENERATION	19.74	CAISO_CHP	Retired
MENBIO_6_UNIT	Covanta Mendota L. P.	25.00	Biomass	Retired
THMENG_1_UNIT 1	Thermal Energy Dev. Corp.	21.00	Biomass	Retired
RHONDO_6_PUENTE	L.A. Co. Sanitation Dist CSD 2610	3.90	Biomass	Retired
SAUGUS_2_TOLAND	Toland Road Landfill	1.50	Biomass	Retired
PANDOL_6_UNIT	Covanta Delano Inc (formerly AES Delano)	49.00	Biomass	Retired
KRAMER_1_SEGSR3	Luz Solar Partners Ltd, III (SEGS III) (f/k/a 5017)	30.00	Solar	Retired
KRAMER_1_SEGSR4	Luz Solar Partners Ltd, IV (SEGS IV) (f/k/a 5018)	30.00	Solar	Retired
ZOND_6_UNIT	Santa Clara 85C	18.00	Wind	Retired
DINUBA_6_UNIT	DINUBA GENERATION PROJECT	12.00	CAISO_ST	To be retired by end of 2019
VALLEY_5_RTS044	SPVP044 - Perris	0.00	Solar	To be retired by end of 2019
OTAY_6_UNITB1	Otay Landfill I	1.50	Biomass	To be retired by end of 2019
OTAY_6_UNITB1	Otay Landfill 2	1.50	Biomass	To be retired by end of 2019
OTAY_7_UNITC1	Otay Landfill 3	3.80	Biomass	To be retired by end of 2019
OTAY_6_LNDFL5	Otay Landfill V	1.50	Biomass	To be retired by end of 2019
OTAY_6_LNDFL6	Otay Landfill VI	1.50	Biomass	To be retired by end of 2019
DINUBA_6_UNIT	Dinuba Energy	12.00	Biomass	To be retired by end of 2019
TBD (Puente)	Puente Power Project	262.00	CAISO_Peaker1	Cancelled
Total		1,372.31		

Baseline Spreadsheet cross-referenced with Mothball and Retirement list available at:

<http://www.caiso.com/Documents/AnnouncedRetirementAndMothballList.xlsx>