



California ISO

Decision on resource adequacy availability assessment mechanism (RAAIM) exemption option

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Recent CPUC decisions and ruling on variable-output demand response prompting action by the ISO

- Proposed decision in CPUC's resource adequacy proceeding recognizes demand response as a variable resource and proposes that the qualifying capacity methodology be re-evaluated for resource adequacy year 2023 and beyond
- Recent ruling from CPUC President Batjer allows the ISO and investor owned utilities to file a refreshed effective load carrying capability study for use as the qualifying capacity methodology for resource adequacy year 2022

The anticipated changes by the CPUC enable the ISO to seek tariff revisions to treat demand response as a RAIM-exempt variable output resource

Management proposes to provide variable output demand response resources with a RAIM exemption option

- Propose to exempt proxy demand resources and reliability demand response resources that have their qualifying capacity value assessed using an effective load carrying capability or similar methodology from RAIM
 - Methodology must account for the contribution to reliability and saturation effects of the resources variable-output nature
- Proxy demand resources and reliability demand response resources can continue to use another valuation methodology (i.e., load impact protocol) and continue to be subject to RAIM like other non-variable resource adequacy resources

Stakeholders raised concerns about how the proposed changes would be implemented

- General support of RAAIM exemption for demand response with variable load reduction capability
 - Some stakeholders do not agree with requiring effective load carrying capability or similar approach to qualify for the exemption
- Stakeholders concerned with requiring an effective load carrying capability based qualifying capacity methodology as a pre-condition for exemption
 - requested proposal to include a collaborative approach with local regulatory authorities in establishing an acceptable methodology for exemption

In response to comments, Management revised the proposal to condition the RAAIM exemption on use of an effective load carrying capability or similar methodology “*that the CAISO determines, in conjunction with the relevant Local Regulatory Authority, ...*”

Management recommends the Board approve the proposal to provide a RAAIM exempt option for variable demand response resources

- Proposal provides for more accurate accounting of capacity contribution of variable demand response resources
- Proposal recognizes the variable nature of these resources in providing the RAAIM exemption