Attachment A

Stakeholder Process: Resource Adequacy Deliverability for Distributed Generation

Summary of Submitted Comments

Stakeholders submitted three rounds of written comments to the ISO on the following dates:

- Round One (comments on Issue Paper/Straw Proposal), 01/05/2012
- Round Two (comments on Revised Straw Proposal), 03/13/2012
- Round Three (comments on Draft Final Proposal), 04/12/2012

Stakeholder comments are posted at:
http://www.caiso.com/informed/Pages/StakeholderProcesses/DeliverabilityforDistributedGeneration.aspx

Other stakeholder efforts include:

- White Papers Issued
  - 12/13/2011 – Issue Paper/Straw Proposal
  - 02/28/2012 – Revised Straw Proposal
  - 03/29/2012 – Draft Final Proposal
- Conference Calls
  - 12/19/2011
  - 03/06/2012
  - 04/05/2012

Management Proposal	PTOs and LSEs	Municipal Entities	Resource and Transmission Developers	Others	Management Response
Overall proposal: An annual process for providing resource adequacy deliverability status to distributed generation resources in a manner which achieves the initiative objectives.	PG&E – Fully supports SCE – Supports with qualification (see specific items below)	BAMx[1] – Supports Six Cities[2] – Support with qualification (see specific items below)		CPUC staff – Supports Clean Coalition – Supports IREC[3] – Supports with qualification (see specific items below) Sierra Club – Supports with qualification (see specific items below)	Management appreciates the broad support and constructive participation it has received from stakeholders in this initiative, and has attempted to address issues qualifying this support, as discussed further in this matrix. Stakeholders widely acknowledge that the proposal offers significant benefits to facilitate the development of distributed generation. Under current rules and procedures, distributed generation may request deliverability only through the wholesale distribution access tariff; there is currently no way for Rule 21 resources to obtain deliverability. This initiative provides a streamlined annual process for distributed generation resources to obtain deliverability so that load-serving entities may count them toward their annual Resource Adequacy requirements. Distributed generation resources will be able to obtain deliverability faster and without: (1) requiring additional network upgrades; (2) needing further deliverability assessment in generation interconnection procedures studies; or (3) degrading the deliverability of existing resources or active generation projects in interconnection queues. The assignment of such deliverability to specific projects would be performed by the regulatory authorities that oversee procurement by their regulated load-serving entities. The qualifications expressed by some stakeholders regarding their support are due to the inherent tension among some of these objectives.
ISO will initially		BAMx – Urges the			Management recognizes the need to inform

[1] Bay Area Municipal Transmission Group. BAMx consists of Alameda Municipal Power, City of Palo Alto Utilities, and the City of Santa Clara's Silicon Valley Power.
[2] Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California.
[3] Interstate Renewable Energy Council, Inc.

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apply the new process in the 2012/2013 transmission planning cycle.		ISO to begin performing distributed generation deliverability assessments for informational purposes sooner.			developers and resource planning and procurement processes of locations where sufficient deliverability capacity exists to accommodate distributed generation resources. However, it would be exceedingly difficult and premature to perform an "informational" assessment earlier than proposed. Such an assessment would, in effect, have to be done outside of the transmission planning process because the ISO has designed the proposed assessment in this initiative to occur at a precise point within the transmission planning process timeline that does not occur until November of each year. Such an early assessment would be of questionable value.
In performing the distributed generation deliverability assessment studies, the ISO will reduce nodal distributed generation amounts as needed to protect the deliverability of existing resources and resources that have requested deliverability in the ISO generator interconnection queue and the participating transmission owners' wholesale distribution access tariff queues.				IREC – Concerned that preserving the deliverability of existing and queued resources before the deliverability of distributed generation may result in the deliverability of distant generation taking available deliverability away from new distributed generation located next to load. Sierra Club – Concerned that this relegates distributed generation to the lowest priority for deliverability assignment. Questions the policy of "once deliverable, always deliverable."	Management appreciates these concerns, but, must point out that these concerns regard a topic that is outside the scope of this initiative. For Resource Adequacy to serve its intended purpose of ensuring sufficient supply to meet peak load, the ISO must preserve deliverability of existing resources in subsequent studies. Giving greater preference to distributed generation would reduce the deliverability status of flexible resources needed to support reliable integration of renewables, and could result in load-serving entities procuring Resource Adequacy capacity that could not be fully utilized, which in turn would be costly for ratepayers and could jeopardize reliability. Moreover, reducing the Resource Adequacy eligibility of existing resources (distributed generation or otherwise) could have adverse impacts on the financial status of such resources. Finally, to reduce full capacity generation already in queue would allow "queue jumping" by distributed generation – in violation of open access generator interconnection requirements.

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ISO will allocate the use of deliverability available for distributed generation to regulatory authorities (CPUC & local regulatory authorities) that oversee procurement by their regulated load-serving entities.	SCE – Prefers that deliverability be allocated directly to load-serving entities rather than through regulatory authorities.	Six Cities – Supports.		CPUC – Supports.	Management's proposal provides a significant role for regulatory authorities. This was done by design as Management believes that the local regulatory authorities (both CPUC and publicly owned utilities) that oversee procurement by their regulated load-serving entities are in the best position to manage the assignment of available deliverability to specific distributed generation projects in a manner that is aligned with their procurement processes and timelines.
Although the ISO will study higher amounts of distributed generation for informational purposes, the ISO will limit allocation to target distributed generation amounts in the transmission planning process base resource portfolio.	PG&E – Supports the study of higher amounts of distributed generation on an informational basis.	BAMx – Does not see merit in restricting the distributed generation MW amount available for allocation to the amount assumed in the transmission planning process base resource portfolio. Six Cities – Supports.		Clean Coalition – Supports the study of higher amounts of distributed generation; but, questions why the maximum amount available for allocation should be limited by the amount assumed in the TPP base resource portfolio.	Management appreciates the desire to allocate the maximum amount possible of available deliverability to distributed generation resources. Management is concerned, however, that to allocate amounts beyond those assumed in the transmission planning process base case resource portfolio would depart from the assumptions used in the transmission planning process to identify policy-driven transmission elements in the final transmission plan. Management believes that the allocation of distributed generation deliverability should be consistent with the annual comprehensive transmission plan, which is based on the same resource portfolio as Management proposes to use in this assessment.
If any portion of deliverability allocated at a node was not fully assigned by local regulatory authorities to specific distributed generation	SCE – Believes that allocating available deliverability directly to load-serving entities (rather than through local regulatory authorities) will minimize the issue of	Six Cities – Supports "carry over" for two cycles.		Clean Coalition – Strongly supports; however suggests that such carry over expire just prior to the second subsequent study and allocation cycle (i.e., approx. 18 mos.).	Many stakeholders previously expressed concern that a prohibition against "carry over" may result in insufficient time for load-serving entities to make procurement decisions within a single distributed generation deliverability allocation cycle in order to fully utilize their allocations. Management agrees that flexibility for alignment with local regulatory authority/load-serving entity procurement

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projects, then the ISO will preserve it in subsequent studies for use by the same local regulatory authority. However, such “carry over” will not be protected indefinitely.	unused or unassigned distributed generation deliverability.				processes is warranted and is therefore proposing to allow “carry over” of unassigned distributed generation deliverability to later cycles. At the same time, Management does not believe such unassigned distributed generation deliverability should be preserved or protected indefinitely. Hence, management has proposed that if allocated distributed generation deliverability goes unassigned for two or more cycles, then the ISO would consult with the local regulatory authorities to consider modifying the distributed generation component of the transmission planning process base resource portfolio to reduce the amounts of distributed generation in such areas.