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Submitted to the CAISO at initiativecomments@CAISO.com by Rachel Gold (Policy Director) and Susan Schneider (Consultant)

**RE: Comments of the Large-scale Solar Association on Regional Resource Adequacy
Second Revised Straw Proposal**

The Large-scale Solar Association (LSA) hereby submits these comments on the CAISO's Second Revised Straw Proposal (Proposal) in its Regional Resource Adequacy (RA) initiative. This initiative is one of several CAISO initiatives to facilitate its potential future regional expansion through incorporation of other western grid entities as Participating Transmission Owners (PTOs). PacifiCorp (PC) has expressed interest in becoming a PTO and would likely be the first entity outside the current CAISO "footprint" to which the Proposal would apply.

Among other things, the Proposal supports use of a system Planning Reserve Margin (PRM) and uniform RA counting rules for generation resources in a Regional ISO (RISO) monthly reliability assessment. That assessment would determine whether sufficient resources were procured by Load-Serving Entities (LSEs) to meet system, local, and flexible capacity requirements.

LSA's comments on the Proposal address the proposed use of the 70% Exceedance Method as the initial uniform RA counting rule for solar and wind resources in the RISO reliability assessment, and the hours used to determine RA credit under that rule. The prior Revised Straw Proposal described two potential solar/wind RA counting methodologies – Exceedance and Electric Load Carrying Capacity (ELCC). LSA's comments on the Revised Straw Proposal advocated initial use of the Exceedance Method, and possible transition to ELCC later; LSA appreciates the CAISO considering those arguments and adopting that approach in the Proposal.

As LSA's earlier comments noted, there are strong reasons why the approach in the Proposal is preferable:

- **The Exceedance methodology has worked well and continues to do so.** As a result of development and refinement over many years, it is simple and already widely used throughout the current CAISO footprint.
- **The ELCC methodology is simply not sufficiently developed yet for the CAISO to determine by August-September of this year when or whether it should be applied in the RISO reliability assessment.** Such a determination would have to resolve many of the same issues the CPUC is considering in its Resource Adequacy proceeding (R. 14-10-010) for this complex methodology. These issues include how ELCC should be applied to individual resources and how to develop monthly values.

Initial use of the Exceedance method will allow the CAISO/RISO to consider the analysis and results of the CPUC rulemaking, and/or other applicable ELCC methodologies in used by PacifiCorp and its state regulators, to determine its own policies for ELCC adoption.

- **Adopting the simpler Exceedance methodology for RISO implementation will allow the CAISO to devote its scarce resources to other considerable work needed to implement the rest of the RA framework.** This work includes potentially significant efforts related to the proposed development of a Planning Reserve Margin (PRM) for the RISO using a new probabilistic-based approach.

This matter was a subject of considerable discussion at the June 2nd stakeholder meeting on the Proposal. LSA understands the concerns of the CPUC and others about: (1) state regulatory jurisdiction, and potential inconsistencies between the RISO and Local Regulatory Authority (RA) counting methodologies; and (2) the California state law requirement for transition to ELCC.

The CAISO's overall framework – including resource counting methodologies – does not preclude different jurisdictions from using their own reliability framework and procurement/counting directives. These differences would only come into play if the total resources offered to the CAISO do not meet the needs of the RISO load forecast.

The use of a uniform RISO resource-counting methodology in that assessment is consistent with the similar (and widely supported) determination in the Proposal that reliability planning requires consistent load-forecasting methodologies across the new footprint. Maintenance of RISO system reliability is best done through uniform load forecasting **and** uniform counting methodologies for the resources to meet that demand.

LSA does not see a conflict between initial adoption of the Exceedance methodology and a potential transition later to ELCC. As the CAISO said at the meeting, a RISO proposal must be developed now based on the information developed now. There is not now a standard, accepted methodology for applying ELCC to individual resources (including any transitional issues with contracts specifying specific RA amounts). When those questions are resolved (e.g., through current CPUC proceedings and processes in the PacifiCorp jurisdictional states), the RISO can consider moving to that methodology.

This transition could be considered before RISO implementation if those questions are resolved at that time, and if there is time to adequately consider such a transition beforehand.

Finally, LSA would like to address questions raised at the meeting about the availability hours used to determine Qualifying Capacity under the Exceedance methodology. The current CAISO tariff already provides for adjustment of those hours over time, and the CAISO should use that current practice to examine the optimal hours to use with a RISO.

This determination need not necessarily be uniform across the RISO footprint. For example, electric load in the northwest peaks in different seasons, and at different times, than California load. Consideration of the different load patterns in different RISO areas would better time RA credit with the loads in those areas and also help avoid large (and potentially disruptive) changes in the availability hours for the current CAISO footprint.