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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 the Regional Resource Adequacy Straw Proposal

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

Among other things, the Proposal advocates uniform RA counting rules for generation resources. LSA supports this concept generally but believes that, if those uniform rules may be different from the current RA counting rules in California, implementation may take longer than the current proposed schedule. In particular, LSA has concerns about CAISO's potential adoption of rules based on an Effective Load Carrying Capacity (ELCC) methodology (as CalWEA has recommended) before the completion and adoption by the CPUC of a methodology and implementation plan.

Thus, LSA's main recommendation is that the CAISO: (1) retain the current California RA framework for now; and (2) focus its efforts on the considerable work that would be needed to implement the RA framework more generally for new entities like PacifiCorp.

First, as the CAISO has stated, that framework – which has been developed and refined over many years – has worked well and continues to do so. Incremental changes can be made in this interim period – e.g., in response to the CPUC's ongoing development of an ELCC methodology – but generally there is no immediate need to revise the framework at this time.

Second, revisions of RA rules in place now – especially the RA counting rules – would have consequences that may be beyond the CAISO's ability to manage. For example, some standard Power Purchase Agreements (PPAs) require guarantees of specific Net Qualifying Capacity (NQC) amounts, which could be significantly impacted by counting-rule changes. In addition, some Load-Serving Entities (LSEs) that have been in compliance with RA requirements to date may have transitional problems if some of their resources would provide significantly less NQC than before.

Third, ELCC methodologies are complex, with significant variants across the United States, and they can be sensitive to input assumptions, among other issues. There are also a number of critical implementation issues that need to be addressed and resolved, including how to transition from the current methodology and fairly apply these values to individual generation resources. The CPUC is considering such issues in its Resource Adequacy proceeding (R. 14-10-010), and the CAISO should not prematurely adopt this methodology in its Regional RA initiative before that examination is complete.

Finally, the CAISO must perform a significant amount of work to implement the basic RA framework for PacifiCorp and other new PTO entities, and that is where the CAISO should focus its resources at this time. This work will include:

- Identifying any Local Capacity Areas (LCAs) in the PacifiCorp area and assessing whether Local Capacity Requirements (LCRs) must be established in those areas;
- Identifying and quantifying RA counting limits (like the current Path 26 CAISO counting limit) internal to the PacifiCorp system (e.g., between east and west areas) and between that system and the current CAISO footprint (e.g., at Malin);
- Determining Maximum Import Capability (MIC) and Target Import Capability (TIC) figures for the many PacifiCorp interties with other areas; and
- Performing deliverability assessments for all the generation resources in the PacifiCorp area, and also for new resources in the PacifiCorp interconnection queue.

The significant amount of CAISO resources needed for these analytical and implementation efforts, as well as the adequacy of the current CAISO-area framework, supports LSA's recommendation to leave the current CAISO-area RA rules in place for now. Those rules can be allowed to evolve incrementally as needed (e.g., in response to CPUC decisions on ELCC implementation) but should not be subject to other changes at this time.