



January 11th, 2017

Submitted to the CAISO at initiativecomments@CAISO.com by Shannon Eddy (Executive Director) and Susan Schneider (Consultant)

RE: Comments of the Large-scale Solar Association on Regional Resource Adequacy – Draft Regional Framework Proposal

The Large-scale Solar Association (LSA) hereby submits these comments on the CAISO's December 1st document, Regional Resource Adequacy – Draft Regional Framework Proposal (Proposal) for its Regional Resource Adequacy (RA) initiative, and the December 8th stakeholder meeting (Meeting) to discuss the Proposal.

Like the CAISO's earlier Regional RA proposals, 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 supports that general framework. However, as with the prior Second Revised Straw Proposal in this initiative, LSA continues to have significant concerns about the RA counting rules in this RISO reliability assessment, and in particular about the methodology for counting solar resources.

Generally speaking, the Proposal retains elements that could unnecessarily create or exacerbate jurisdictional conflicts without enhancing service reliability. Such conflicts could confound the procurement process as the state progresses toward the 50% Renewables Portfolio Standard (RPS) and/or the transition to a broader RISO structure.

LSA continues to recommend these revisions:

- **Additional deference to state authority:** The RISO should determine whether there is a collective RA deficiency (which would trigger potential RISO RA backstop procurement) before issuing deficiency notices to specific LSEs that are in compliance with their Local Regulatory Authority (LRA) RA counting rules.
- **Transition to ELCC¹:** The CAISO should consult more closely with the CPUC (and perhaps other LRAs) about overlap and conflicts in this major RA area. LSA is very concerned about the apparent lack of CAISO-CPUC coordination on the details and transition to ELCC.

¹ Electric Load Carrying Capability, the methodology that the CAISO proposes to use for solar and wind resource RA determination.

These recommendations are discussed further below.

Additional deference to state authority

RISO backstop procurement is needed only if the collective LSE RA showings indicate a local or system RA deficiency. However, the Proposal indicates that the CAISO would assess LSE RA showings separately, and issue deficiency notices, before performing the overall RISO Reliability Assessment to determine whether any RISO backstop RA procurement is needed.

An LSE receiving such a notice that is in compliance with its LRA RA rules would have to decide whether to procure possibly unneeded additional RA (exceeding its LRA standards and raising its costs) or risk allocation of potential RISO backstop procurement costs.

With all due respect, this sequence should be reversed, for the reasons described below.

First, the CAISO should only be concerned about whether sufficient RA capability has been procured to ensure reliable service, not whether each individual LSE (or LRA jurisdiction) has procured a portfolio that meets RISO standards.

Second, there is no reason why an LSE meeting its LRA RA rules should have to guess in advance about RISO backstop procurement needs. Performing the collective assessment before issuing LSE deficiency notices would remove this guesswork and allow the LSE (and its LRA) to make rational decisions with all the necessary information.

Finally, and most relevant to the regionalization discussion, the CAISO's proposed sequencing could raise additional issues regarding state/LRA jurisdiction that are not necessary for RISO formation or reliable operation. LRAs can decide for themselves whether they have concerns about their respective LSEs "leaning" on each other, or any inter-LRA "leaning," without the RISO imposing its judgment in this area.

Transition to ELCC

As LSA has pointed out before (and the CAISO has agreed), application of the ELCC methodology is highly complex. The CPUC has been working on the details for more than two years, but many issues remain unresolved (including the numerous methodological issues detailed in prior LSA comments). Even if the CAISO and CPUC adopted the same methodology, applying that methodology to the larger RISO footprint would raise additional issues and likely yield different results.

LSA is most concerned that the CAISO and CPUC still do not appear to have discussed the timing, methodology, and/or transitional details of developing and implementing ELCC on a RISO level. Aside from the jurisdictional issues (which might occur also with states besides California), it would be impractical to have separate, overlapping, and potentially inconsistent efforts, for LSEs and other stakeholders, and for the CAISO and CPUC themselves.

Instead, the CAISO, CPUC, and perhaps other potential RISO LRAs, should design a collaborative, consolidated plan. This joint plan should avoid or address state jurisdictional issues, effectively use scarce resources (of these entities, and also stakeholders), complete the necessary work in the time allowed, and provide LSEs and resource developers clear and consistent guidance about the relative value of different technologies and locations.