

## Stakeholder Comments Template

# Resource Transitions

*Resource Adequacy Deliverability Assessment  
for Resources Transitioning  
from Outside to Inside the ISO Balancing Authority Area*

Submitted by	Company	Date Submitted
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This template is for submission of stakeholder comments on the topics listed below, covered in the *Resource Transitions Draft Final Proposal posted on April 21, 2011*, and issues discussed during the stakeholder conference call on April 27, 2011, including the slide presentation.

Please submit your comments below where indicated. Your comments on any aspect of the Resource Transitions initiative are welcome. If you provide a preferred approach for a particular topic, your comments will be most useful if you provide the reasons and business case.

Please submit comments (in MS Word) to [ResTrans@caiso.com](mailto:ResTrans@caiso.com) no later than the close of business on May 4, 2011.

1. Do you have any concerns with the draft final proposal, and if so please describe.

LS Power continues to have concerns with this proposal.

### Resource Transition will reduce RA Import Capability –

LS Power continues to be concerned that the preferred approach taken by CAISO in allocating deliverability to a transitioning resource will reduce the amount of RA Import Capability across interties – both now and in the future. CAISO contends that once a transitioning resource receives deliverability, the assignable RA Import capability will only be reduced for the first year and that in subsequent years this available RA Import capability will be re-established. LS Power's concern is that once deliverability is assigned to a transitioning resource, and the corresponding intertie RA Import capability is reduced that each intertie's RA import capability will most likely stay at the reduced levels not just in the first year, but also in subsequent years, until a transmission upgrade is built.

Per CAISO's deliverability calculation methodology, historical intertie RA Import capability values are used in establishing deliverability for internal generators. The deliverability of internal generators is governed by whether the transmission network can deliver the output of generators to load, and power flow tests are conducted to analyze this. If a generator transitions and has deliverability assigned, and the RA import capability for the affected intertie is reduced by the same amount, electrically the power flow deliverability analysis findings should remain the same. Even if additional generators start scheduling more power across the newly defined intertie, CAISO will most likely not be able to increase RA import capability of this intertie, without building transmission upgrades.

LS Power realizes the current proposal is meant to address generators that have historically scheduled into CAISO, however, by reducing the intertie RA import capability the proposal disadvantages other similarly situated out of state generators. The commercial arrangements of generators and LSEs can change from year to year and an LSE and generator should be able to reach agreement to utilize the LSEs RA Import allocations. Implementing this proposal can limit the ability of other generators and LSEs from utilizing the tie capacity for RA Import capability.

#### Resource Transition for resources where PPA information is used for assigning Deliverability –

LS Power appreciates CAISO's response to our comments on the Resource Transitions Straw Proposal. In this most recent document, CAISO acknowledged LS Power's concern related to PPAs, but said that they

*"..do not agree that a resource transition would likely reduce intertie capacity on a permanent basis in every case..."*

LS Power re-iterates that if intertie capacity were to be reduced in the scenario in our prior comments (and described below), allocating RA to transitioning resources will result in one generator being provided an advantage over others who are similarly situated.

Per CAISO's proposal, if a generator's tags cannot demonstrate historic deliveries into CAISO, then the PPA for this generator along with meter data will be used. LS Power's concern is that if the PPA for this generator requesting transition into CAISO was to expire in near future, the transitioning generator should not be automatically assigned deliverability on a going forward basis. As the rules exist today, if the PPA expires, then the available RA import capability across the intertie should increase and this capacity should be made available to all Load Serving Entities.

2. If you have any additional comments, please provide them here.

LS Power has the following additional comments:

Under the Resource Transition Requirements, Section 5.1, Item 5, LS Power recommends that CAISO clarify the language. New generators that are currently in other BAAs queues should be also allowed to request to transition into the CAISO BAA if their Point of Interconnection (POI) stays the same but CAISO boundary changes such that generator's POI now falls within CAISO BAA. LS Power believes that this is CAISO's intent, but the Draft Final proposal gives the impression that only existing generators can make a transition request.

Further, LS Power recommends that CAISO reconsider the proposal on Section 5.1, Item 5 regarding to new substations. Currently CAISO proposal is that

*"..Projects involving building new infrastructure like new transmission lines or transformers in order to form new interconnections or building of new substations are not eligible for a resource transition.."*

LS Power recommends that rather than disallowing this, CAISO should analyze the impact of such transition requests on a case by case basis, and if the addition of new infrastructure does not cause any material impact to electrical characteristics in the area this is proposed, such transition request should be allowed.

LS Power appreciates the opportunity to submit these comments.