

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the  
Resource Adequacy Program, Consider  
Program Reforms and Refinements, and  
Establish Forward Resource Adequacy  
Procurement Obligations.

Rulemaking 21-10-002  
(Filed October 7, 2021)

**REPLY COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR  
CORPORATION ON THE FINAL 2024 LOCAL CAPACITY TECHNICAL REPORT**

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## **Table of Contents**

I.	Introduction.....	1
II.	The Commission Should Adopt the Local Capacity Requirement in the Final Report and Direct Suggested Changes to the CAISO’s Energy Storage Assessment Methodology to the CAISO’s Stakeholder Processes. ....	2
III.	Conclusion .....	3

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**I. Introduction**

The California Independent System Operator Corporation (CAISO) provides reply comments on the CAISO’s final 2024 Local Capacity Technical Report (Final Report).

In comments filed at the California Public Utilities Commission (Commission) on the CAISO’s draft 2024 Local Capacity Technical Study Report (Draft Report) and the Final Report, Green Power Institute (GPI) recommends changes to the CAISO’s energy storage assessments in local areas. These storage assessments identify the maximum amount of storage that can help meet local area and sub-area requirements, based on the ability of storage resources to charge from other generation. The CAISO notes these energy storage assessments are for informational purposes to help guide load serving entity (LSE) and local regulatory authority (LRA) procurement and planning. GPI’s recommendation would not affect the local capacity requirements established in the Final Report.

GPI’s proposed changes to the CAISO’s energy storage assessment methodology would also require further discussion and vetting in a CAISO stakeholder process. The Commission should adopt the local capacity requirements in the Final Report and direct party comments on changes to the CAISO’s study methodologies to the CAISO’s stakeholder processes. The CAISO’s annual local capacity requirements stakeholder process is the appropriate forum to discuss changes to the CAISO’s local capacity requirements study and would allow for more meaningful, direct discussion on such changes in future study cycles.

## **II. The Commission Should Adopt the Local Capacity Requirement in the Final Report and Direct Suggested Changes to the CAISO’s Energy Storage Assessment Methodology to the CAISO’s Stakeholder Processes.**

GPI recommends the CAISO modify its approach to determine the maximum amount of storage that helps meet local area and sub-area needs. Specifically, GPI recommends the CAISO account for the possibility other generation will be unable to charge storage resources in local areas and sub-areas. GPI suggests the CAISO establish “[a] margin of safety that at least partially decouples the possibility that a worse than modeled deficit in the amount of generation available to an area or sub-area would be magnified during the ramp and peak by a storage system that could not be fully charged.”<sup>1</sup> GPI’s proposal would effectively apply a de-rate to the maximum amount of storage that could help meet local area and sub-area needs in CAISO analyses.

As an initial matter, the CAISO notes the energy storage assessments in local studies are for informational purposes, intended solely to help guide LSE and LRA planning and procurement of storage resources in local areas and sub-areas. Thus, GPI’s recommended changes to these assessments would not affect the local capacity requirements established in the Final Report.

Additionally, GPI does not recommend a specific “margin of safety” but instead notes that an additional “margin of safety” is something “[t]he CAISO could benefit from by spending some time and effort in determining and applying.”<sup>2</sup> GPI’s proposed changes to the CAISO’s energy storage assessment methodology would require further discussion and vetting in a CAISO stakeholder process. The Commission should adopt the local capacity requirements in the Final Report and direct party comments on changes to CAISO’s energy storage assessment methodology to the CAISO’s stakeholder processes.

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<sup>1</sup> GPI Opening Comments, p. 3.

<sup>2</sup> *Id.*

### III. Conclusion

The CAISO appreciates the opportunity to provide reply comments and requests the Commission adopt the Final Report as submitted.

Respectfully submitted

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