

## Stakeholder Comments Template

### Subject: Regional Resource Adequacy Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments to the Second Revised Straw Proposal for the Regional Resource Adequacy initiative that was posted on May 26, 2016. Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **June 15, 2016**.

Please provide feedback on the Regional RA Straw Proposal topics:

#### 1. Resource Adequacy Unit Outage Substitution Rules for Internal and External Resources

NV Energy agrees that substitution of an external resource capable of like performance and with the same assured availability as an internal RA resource does not pose a reliability concern, should the need for the substitution arise. NV Energy further agrees that excluding the possibility of substitution with valid external resources, subject to sufficient import capability, could be unnecessarily inflexible for new PTOs subject to different resource adequacy procurement requirements. The ISO proposal that the substitute resource share similar operating characteristics and offer the same availability profile is a reasonable accommodation to permitting use of external resources, assuming that the current substitution rules require that internal resources meet the same requirements.

NV Energy would like clarity on how closely the substitute resource must reflect the ramping capability of the resource to be substituted. Some degree of deviation with respect to replicating flexible ramping capability could improve the ease of procuring adequate substitute resources, and should be discussed in this stakeholder process.

#### 2. Discussion of Import Resources that Qualify for RA Purposes

While the CAISO is now seeking to introduce some definition into the concept of an import resource that will qualify as an RA resource, doing so raises the question of whether any lack of specificity to date has undermined resource adequacy. If the existing capacity procurement rules

have not resulted in phantom or unavailable resources when needed, then adding to the procurement requirement with eligibility rules limits flexibility and does no nothing more than create a compliance burden. NV Energy proposes that any resource that qualifies as firm enough to satisfy FERC's requirements for a designated network resource should likewise be firm enough for ISO resource adequacy purposes.

### 3. Load Forecasting

NV Energy does not object to the load forecasting proposal as presented. The 4% divergence threshold that would trigger a revisit of a particular LSE's load forecast appears to be a reasonable threshold. The load forecasting proposal development working group to discuss technical considerations is a good idea, and NV Energy looks forward to participating in that.

### 4. Maximum Import Capability

NV Energy has concerns about the MIC allocation proposal. Referring to the example provided on page 23 of the Second Revised Proposal, NV Energy observes that the outcome of the MIC allocation methodology results in a seemingly restrictive allocation of certain import capacity. This, in turn, may conflict with how the BA procures for its resource adequacy obligations. Related to that concern, NV Energy suggests that the concept of bilaterally trading MIC (page 18 of the proposal) warrants more discussion.

### 5. Monitoring Locational Resource Adequacy Needs and Procurement Levels

NV Energy supports a recommendation to forego the development of a full zonal RA process at this.

### 6. Allocation of RA Requirements to LRAs/LSEs

NV Energy is not subject to multiple local regulatory authorities. It does, however, balance load within its BA that serves itself. NV Energy therefore advocates for an allocation solution that ensures those entities serving their own load are responsible for their share of resource adequacy contribution.

### 7. Reliability Assessment

#### a. Planning Reserve Margin for Reliability Assessment

NV Energy supports both a planning reserve margin and the use of a probabilistic loss of load expectation approach to set that target. NV Energy wants to ensure, however, that the use of the probabilistic LOLE does result in all states sharing a higher PRM that may be driven by a particular state's resource policy. For example, if higher reliance on intermittent renewables increases the PRM in California, other sub-regions should not necessarily share the increased procurement requirements.

b. Resource Counting Methodologies for Reliability Assessment

NV Energy favors the effective load carrying capability methodology and agrees that the ISO should continue to consider that methodology.

2. Other