



Comments of Pacific Gas & Electric Company on CAISO's Draft Flexible Capacity Needs Assessment for 2017

Submitted by	Company	Date Submitted
Larsen Plano (415) 973-1959 Antonio Alvarez (415) 973-3594	PG&E	04/26/16

Pacific Gas and Electric Company (PG&E) offers these comments on the California Independent System Operator's (CAISO) Draft Flexible Capacity Needs Assessment for 2017 dated April 12, 2016 (draft assessment) and the associated April 18, 2016 web conference.

PG&E thanks the CAISO for its consideration and continued work to refine this process.

1. CAISO should clarify the number of LSEs whose data is and is not included in the assessment.

The April 12, 2016 CAISO draft assessment indicates one LSE's data was omitted inadvertently and that overall, data was received from 17 LSEs – the same number as last year's assessment – which is described as "all but two LSEs."¹ The April 18, 2016 CAISO presentation then mentions the one omitted LSE plus an additional five LSEs who submitted data late. It is unclear whether the number of LSEs whose data was not ultimately included in the draft assessment results is one, two, six or seven.

The final CAISO assessment must provide clear information for this year and for prior years on the total number of LSEs, the total number of LSE responses used in the assessment, and the possible deviation to the results created by any missing data.

2. CAISO should attempt to improve LSE responses to its data request.

¹ Pg. 6 of the draft assessment, located here:

<https://www.caiso.com/Documents/2017DraftFlexibleCapacityNeedsAssessment.pdf>

Both last year and this year, CAISO did not receive a response from all LSEs. CAISO has assumed that non-responsive LSEs have no wind or solar. Rather than make this assumption, CAISO should proactively reach out to non-responsive LSEs and should consider a simplified reporting option for LSEs that indeed do not own or have under contract any wind or solar resources to enable them to respond easily.

PG&E suggests that in cases where an LSE has provided data for a prior year's assessment but did not respond to the latest CAISO data request, the best course of action would be to use the earlier data response for the current year's assessment. Since the CAISO requests 10 years' worth of wind and solar resource data, a single response has enough data to conduct flexible capacity need assessments for the next several years if needed. This would be a better approach than assuming an LSE has gone from owning or contracting with wind and solar resources in one year to not owning or contracting with any wind or solar the next if that LSE fails to respond to the data request.

It is PG&E's view that willful acts of misinformation or omission should be considered CAISO tariff violations and dealt with appropriately.

- 3. In the event that solar or wind resources are not included in the assessment, for whatever reason, CAISO should quantify those resources and provide a transparent methodology that ensures the other LSEs are not penalized either by receiving an increased requirement via their LRA's allocation or by decreased reliability as a consequence.**

The question of whether all appropriate wind and solar resources are captured in the CAISO Flexible Capacity Needs Assessment is fundamental to this process. The CAISO indicates it has verified that "the information submitted... represents all wind, solar, and distributed wind and solar resources [owned or contracted by an LSE]... within the ISO balancing area."² The CAISO should provide additional detail on how it performs this check, and whether it is applied only to responding LSEs or whether the CAISO attempts to quantify wind and solar resources in the CAISO area that are owned by or under contract to non-reporting LSEs or any other entity. Ideally the CAISO should use a comprehensive list of all resources in its area to quantify any wind and solar resources that were not captured in the LSEs' data request responses and the effect such resources have on the assessment.

In this instance it appears that there are known wind and solar resources owned or contracted to an LSE that were not included in the assessment, and the CAISO has proposed making a corrective adjustment to the flexible capacity assessment results. The CAISO needs to provide proof that: 1) adjustments are being made to account for the missing wind and solar resource data such that reliability is not compromised, 2) non-reporting parties do not benefit from their behavior, and 3) other LSEs do not bear the costs of others' non-compliance.

It appears in this instance that CAISO intends to make an adjustment which keeps the total system-wide requirement the same but would reassign some of that requirement to the LSE whose data was not

² Pg. 6 of the draft assessment

included, resulting in a constant or reduced requirement for the LSEs whose data was originally included in the assessment.

PG&E agrees with the CAISO that any methodology to account for LSEs whose data was not included in the analysis should not result in an increased requirement assigned to other LSEs whose data was included; however, the CAISO should explicitly describe how its approach meets the three criteria above and preferably provide the actual calculations.

4. Additional clarifications are also requested.

- a. Clarify whether the Table 1 row beginning “Total variable...” should refer to 2016 Assessment *for 2017*.
- b. Clarify that the Table 1 row beginning “Total internal and non-firmed...” refers to the total amount of wind and solar MWs that are included in the 2016 Assessment for 2017, and possibly rename this row and the row referenced above to make it more clear which row provides the actual total amount of wind and solar MWs captured in this Assessment.
- c. Clarify in Section 4.2 whether the ISO used the 2014 IEPR or the 2015 IEPR.
- d. Clarify whether the CAISO intends to provide the hourly AAEE profile in its publicly provided data along with the load/wind/solar profiles typically provided.
- e. Regarding the sentence on page 17 reading, “However, the ISO will assess the overall adequacy of flexible capacity using the system need.” Clarify that this means that a backstop procurement action will be implemented *if and only if* the total amount of flexible RA shown by LSEs is below the overall CAISO system-wide requirement.
- f. Clarify that Tables 3 and 4 should refer to PV rather than “PV fixed.”