



Comments of Pacific Gas & Electric Company
Resource Adequacy Availability Incentive Mechanism Modification –
Draft Final Proposal

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator’s (CAISO) Resource Adequacy Availability Incentive Mechanism Modification Draft Final Proposal.

PG&E agrees that the current approach does not properly account for both the overlap and variation in the Generic and Flexible Resource Adequacy (RA) availability assessment hours. PG&E shares the CAISO’s concern about the potential for manipulation of Resource Adequacy Availability Incentive Mechanism (RAAIM) assessments and associated penalties or payments.

1. PG&E asks the CAISO to ensure sufficient time is dedicated to the tariff language development and implementation review processes.

While PG&E would prefer more time to review, it understands the CAISO’s desire to reach implementation at an expedited pace. Due to the decision to not schedule a straw proposal, as PG&E requested, PG&E believes the tariff language development and implementation review process become much more important. The tariff development process should result in a clear and appropriately comprehensive description of the RAAIM product in the language itself. Therefore, PG&E will focus its efforts towards ensuring that these processes are effective. PG&E appreciates that the CAISO responded to PG&E’s request and provided formulas and added examples in its Draft Final Proposal. However, since the CAISO and stakeholders do not have ample opportunity to discuss and review the formulas during this stakeholder process, PG&E asks the CAISO to have a more in-depth review of the formulas in the BPM process than is traditionally provided in the BPM process. For example, holding an additional stakeholder meeting during the BPM modification process specifically for the recommended formulas would be beneficial.

PG&E recommends that the CAISO staff that draft tariff language pay special attention to the text and how it can be interpreted by both market participants and CAISO implementers. For example, PG&E asks that the description of which RA requirement takes priority in periods of overlapping Must Offer Obligation hours to be described as the “most stringent” requirement rather than “the highest” requirement.

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2. PG&E continues to recommend that the CAISO provide more examples of how all variables interact with each other in the CAISO’s calculation of RAIM penalties.

While PG&E appreciates that the CAISO responded to PG&E’s request and provided formulas and added examples in its Draft Final Proposal, there are more examples that are needed to fully address the different variables associated with RAIM penalties. For example, the CAISO has not provided examples of how the use-limited outage cards will impact the RAIM calculation. If the CAISO is unwilling to provide additional examples that flush out all of the interacting variables before seeking approval from the Board of Governors in November, PG&E recommends the CAISO provide those examples in an appendix to the CAISO’s FERC filing seeking tariff changes on this topic.

3. RAIM Assessment Hours should be revisited in a future stakeholder process within the next year.

PG&E continues to recommend that the CAISO use this stakeholder initiative to determine whether the challenges with evaluating overlapping generic and flexible assessment hours should lead the CAISO to evaluate whether the RAIM Assessment Hours for each RA product should be re-visited to simplify the RA program. While this stakeholder process may not be the correct stakeholder process, we believe now is an appropriate time to have a discussion related to whether this topic should be included in a future stakeholder initiative within the next year. By making the assessment hours for each RA product more transparent and consistent, a great deal of the confusion associated with RAIM implementation and RA compliance could be eliminated.