

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

City Light is interested in a feasible means to evaluate potential participation in CAISO's regional integration, in the event the CAISO is authorized to provide services outside the state of California at some point in the future. City Light is a BAA, owns transmission facilities CAISO would likely consider to be local facilities, and is reliant on BPA-owned transmission to deliver remote resources to load.

If BPA is not part of a future regional integration, would City Light (and other entities dependent upon BPA transmission) have a feasible means to participate in any future regional integration initiative?

It is our understanding that in the scenario where BPA is not part of the regional integration, but City Light was part of a regional integration, City Light would be in a position where CAISO considers long-standing delivery of power across BPA's system from Boundary Dam by a Dynamic Transfer and contract purchases to load (Seattle system) as "imports" subject to the CAISO's Maximum Import Capability limit (MIC) process (all such deliveries preceding the CAISO RA process).

In the above scenario, City Light requests that the CAISO clarify that resources such as Boundary Dam is functionally inside City Light's BAA, qualifies for treatment as a pre-existing contract/transmission ownership right used by Seattle to serve load and therefore would be held in reserve and not subject to reduction in the MIC determination process.

City Light believes the above scenario illustrates the need for careful consideration of a transitional period for affected BAAs during any future regionalization process so that entities that have loads served by resources under long-standing transmission agreements or other delivery arrangements that will be impacted by regionalization will have available to them a needed window of time to reconcile the ISO's treatment of these deliveries to avoid inadvertent harm or inappropriate cost-shifting.

City Light also believes the CAISO should carefully consider how to provide LSEs the option to document alternative means to qualify import resources for RA purposes. LRAs should be involved on an equal basis with CAISO for determining eligible "import" resources and defining "firm" resources.

3. Load Forecasting

City Light thanks CAISO for providing flexibility as to the format of load forecast submittals. Reporting adjustments is an appropriate means to consider the consequences of the adjustments.

There are potentially costly financial consequences to intentional (or inadvertent) bias in a load forecast. Over the long term, City Light supports a process that develops common, best practices in forecasting more effectively, as opposed to trying to mandate any particular load forecasting practice at this point in time.

4. Maximum Import Capability

City Light supports the concept of consistency between sub-regions for MIC and TAC sub-regions. A functional analysis should be employed to confirm whether facilities serve more than one region. In other words, transmission facility voltage levels are not the only factor to consider. City Light believes that whether constraints to power transfers used to meet RA exist or not is a crucial issue. The CAISO should perform (or allow LSEs to perform) power flow studies to show whether a possible limit is in fact a constraint to delivery of RA resources. While historic imports are important, they should not be a limiting factor. LSEs should be permitted to provide imports over a longer time period or provide the CAISO other information that would establish the reliable level of imports for purposes of meeting an RA requirement through the MIC process.

5. Monitoring Locational Resource Adequacy Needs and Procurement Levels

City Light does not support creating new RA requirements absent compelling information that doing so lowers the overall cost to LSEs of satisfying a RA requirement. City Light supported CAISO considering zonal RA. City Light supports CAISO's decision to defer zonal RA.

6. Allocation of RA Requirements to LRAs/LSEs

City Light appreciates the flexibility CAISO is currently considering offering. City Light would prefer to establish its own RA requirements and we appreciate the ISO offering an alternative.

7. Reliability Assessment

- a. Planning Reserve Margin for Reliability Assessment
- b. Resource Counting Methodologies for Reliability Assessment

8. Other