

**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)

**INFORMAL COMMENTS ON CALIFORNIA COMMUNITY CHOICE ASSOCIATION  
AND PACIFIC GAS AND ELECTRIC COMPANY LOCAL CAPACITY  
REQUIREMENT WORKING GROUP REPORT OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

**I. Introduction**

The California Independent System Operator Corporation (CAISO) submits informal comments in response to the Draft Working Group Report (Draft Report) by the California Community Choice Association (CalCCA) and Pacific Gas and Electric Company (PG&E). Decision (D.) 20-06-031 identified CalCCA and PG&E as the co-leads of a working group to evaluate three specific local capacity requirement (LCR) topics and to submit the working group report. The working group convened on February 2, 2022 and the co-leads distributed the Draft Report to the service list on February 18, 2022.

**II. Discussion**

The CAISO reviewed the Draft Report and has no further edits to the written report. The CAISO provides comments on each of the LCR topics below.

**A. Topic 1: Potential Modifications to the Current LCR Timeline or Processes to Allow More Meaningful Vetting of the LCR Study Results**

The CAISO has worked collaboratively with Commission Energy Division staff to ensure timely delivery of LCR study results. The CAISO relies on the California Energy Commission (CEC) for the underlying demand forecast to develop the LCR needs. Despite occasional delays in receiving the demand forecast, the CAISO has been able to deliver the LCR results to the Commission with sufficient time to establish Commission-jurisdictional LCR needs. Moreover,

the CAISO typically meets Commission-established deadlines for providing the final LCR study, despite undertaking additional analysis, such as developing engineering-managed results when local capacity requirements changed from a one- to three-year forward assessment and performing the storage charging assessment discussed below.

The CAISO has a robust and transparent multiple month-long stakeholder process (as described in the Draft Report in Section III.A.1) that allows for meaningful vetting, discussion, and analysis. Stakeholders should appropriately participate in the CAISO stakeholder process for any questions regarding the LCR study criteria, methodology, and results.

To improve coordination, the CAISO can work with Commission Energy Division staff to ensure the start of the CAISO's stakeholder process is also noticed via the Commission's service list. However, the CAISO cannot continue to compress its own stakeholder process timelines.

### **B. Topic 2: Inclusion of energy storage limits in the LCR report and its implications on future resource procurement**

As discussed in the Draft Report,<sup>1</sup> the CAISO provided energy storage limit information to help the Commission, load serving entities, and the Central Procurement Entities form a better understanding of their collective procurement impacts in each local capacity area and sub-area vis-à-vis the existing and projected storage buildout.

### **C. Topic 3: How Best to Harmonize the Commission's and CAISO's Local Resource Accounting Rules**

As explained by the CAISO at the February 2<sup>nd</sup> workshop, existing CAISO and Commission rules require that a resource adequacy resource cannot receive, show, or otherwise sell a different net qualifying capacity (NQC) value towards meeting the local versus system requirement. In other words, a resource adequacy resource counts towards the local requirement because it is located in a given local area; however, the local counting value must be the same as that established by the Local Regulatory Agency (LRA) towards meeting the system-wide requirement. Therefore, in the CAISO systems all resources shown for local resource adequacy count both towards local resource adequacy and toward the system resource adequacy requirements based on their respective monthly NQC values as established by the LRA.

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<sup>1</sup> Draft Report, pp. Attachment 1-10 to 1-13.

### **III. Conclusion**

The CAISO appreciates the opportunity to comment on the Draft Report. To improve coordination, the CAISO can work with Commission Energy Division staff to ensure the start of the CAISO's stakeholder process is also noticed via the Commission's service list.

Date: February 24, 2022