Middle River Power Comments on the CAISO's 2020 and 2024 Local Capacity Requirement Final Study Results

Middle River Power ("MRP") thanks the California ISO ("CAISO") for the opportunity to submit comments on the 2020 and 2024 Local Capacity Requirements final study results and meeting held on April 10, 2019. We provide the following brief comments on the treatment of solar and other variable energy resources within the study and seek additional clarification related to the effectiveness factor of resources within the Tesla-Bellota subarea.

Treatment of VERs

MRP appreciates the CAISO's efforts each year in conducting the local capacity requirements study. The results demonstrate a clear path for local requirements for the next several years. MRP supports the study and its overall results but has some questions regarding the treatment of solar and other variable energy resources within the study to determine overall area resource adequacy needs. In the 2020 summary Local Capacity Needs Table on page 2 of Attachment B, solar megawatts are included within the Net Qualifying Capacity ("NQC") but clearly not accounted for in the Capacity Availability at Peak. For example, the total NQC available for San Diego/Imperial Valley area is 4,334 MW while the Capacity Available at Peak is 3,895 MW. The difference is the solar NQC of 439 MW.

Based on this approach, MRP believes it may be more appropriate to further study the local area ELCCs to better understand the overall area/sub-area resource adequacy needs. This study should be consistent with the recent ELCC methodology proposed by the CPUC's energy division. The additional study may provide additional market clarity and maintain consistency across the resource adequacy process. The result will demonstrate a true and clearer picture of the resource adequacy needs of each local area/sub-area and help streamline the procurement process.

<u>Tesla-Bellota sub-area</u>

MRP noticed a change in the net qualified capacity of the Tracy Combined Cycle Power Plant (SCHLETE_1_PL1X3) used in the 2020 and 2024 Local Capacity Requirement study relative to that used in the 2028 Local Capacity Requirement study that was conducted within the 2018-2019 Transmission Planning Process¹. Specifically, the NQC of the resource decreases by 5 MW between the two studies. MPR understands that there are some transmission upgrades within the Stockton area that could account for the change in the NQC. MRP would like to better understand what is causing the NQC of the Tracy Combined Cycle Plant to decrease in the 2028 Local Capacity Requirement study and would greatly appreciate additional clarification by the CAISO.

MRP thanks the CAISO for consideration of these comments and looks forward to additional discussion.

¹ See page 208 <u>http://www.caiso.com/Documents/AppendixG-BoardApproved2018-2019TransmissionPlan.pdf</u>