

## Generation Deliverability Assessment Methodology Proposal

Submitted by	Company	Date Submitted
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PG&E provides the following comments based on the stakeholder call and web conference held December 18, 2018.

Overall, PG&E believes that further stakeholder discussion and a technical workshop would be helpful and would allow CAISO to elaborate on both the study criteria CAISO will use in applying the new methodology and how it will support future decision-making, specifically as part of the annual Transmission Planning Process (TPP) and Interconnection Study process for new resources.

PG&E offers the following specific thoughts:

**The CAISO should evaluate the current costs to consumers of using congestion management as a mitigation measure before modifying its deliverability methodology in ways that will likely result in more congestion costs.** At a high level, transmission congestion increases consumer costs because it prevents lower priced electricity from serving load. Congestion management is frequently identified within the Transmission Plan as a mitigation measure for managing overloaded facilities in lieu of potential upgrades that might be more costly than the congestion they help avoid. However, the consumer costs for congestion should not be ignored, as the proposed methodology may exacerbate these concerns. With an understanding of the current costs associated with congestion management as a solution, the CAISO can determine the incremental cost increase due to any additional congestion created by the move to the proposed methodology.

**The CAISO should assess the future costs to consumers due to modifying its deliverability methodology that will result in fewer transmission upgrades and more congestion costs.** The generator deliverability methodology was established to ensure that sufficient capacity is available to accommodate the output of a resource. Although the key objective was not to relieve congestion, additional capacity being installed to enable the deliverability status provides this additional value. Resources that seek deliverability status result in more transmission capacity in an electrical area. The proposed methodology would diminish this

additional value at an unknown costs shift to consumers that would bear this risk in the form of increased energy prices. The CAISO should evaluate the costs shift before modifying its deliverability assessment methodology.

**The CAISO should describe how the load and generation assumptions being proposed in the deliverability methodology will be used in the annual Transmission Planning Process and Interconnection Studies.** Traditionally, the TPP and interconnection studies for new resources have focused on the peak load and corresponding dispatch levels. The proposed methodology considers “peak sales”, which occur at different time intervals than “peak load” and therefore have different corresponding dispatch levels. The CAISO should describe better how the new methodology will enable consistent evaluation across the various platforms that ensure efficient market outcomes.