

**Written comments with CAISO reply
Submitted after the
April 14 Stakeholder Meeting regarding the
Final 2017 Local Capacity Requirement (LCR)
Results**

**Comments of Office of Ratepayer Advocates- California Public Utilities Commission
on the Final 2017 Local Capacity Technical Study Results**

During the April 14, 2016 LCR web conference and stakeholder call, participants learned for the first time that the CAISO had received confidential comments regarding the draft LCR study. Based on statements of the CAISO representative during the LCR stakeholder call, ORA's representative concluded that the CAISO's practice is to maintain the confidentiality of both the substance of confidential comments and the identity of a party submitting confidential comments. Following the LCR web conference and stakeholder call, Mary McDonald of the CAISO clarified in an email to another participant in the web conference and stakeholder call that it is not the CAISO's practice to maintain the confidentiality of the existence of or the identity of a party submitting confidential comments. The CAISO's website was revised this morning to indicate that parties filed confidential comments on the draft LCR study, including the identities of those parties.

ORA respectfully recommends that the CAISO consistently and clearly articulate its policy regarding confidential comments to all stakeholders. In addition, ORA respectfully requests that the CAISO consider revising its policy and posting redacted versions of confidential comments, similar to the process that the California Public Utilities Commission uses to allow parties to see the non-confidential portions of otherwise confidential documents.

ISO response: The ISO's preference is for formal comments to be submitted without confidentiality restrictions wherever possible. We do recognize that there are circumstances where confidential treatment of the substance of comments may be necessary. It is the ISO's general practice to maintain confidentiality of content as required by its Tariff. We are clarifying here that it is the ISO's practice to publicly disclose the existence and source of any confidential formal written comments, and we have reinforced our communication of this practice internally.

**Comments of Pacific Gas and Electric Company
on the Proposed Final 2017 Local Capacity Technical Study Results**

ISO: These comments were received after the comment window closed and after the 2017 LCR report was finalized. These comments asked for information as opposed to suggesting changes.

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to participate in the CAISO's 2017 Local Capacity Requirements (LCR) Technical Study Process and submits the following comments, based on the presentation of proposed final study results and discussion in the stakeholder call of April 14, 2016.

PG&E would like the CAISO to clarify how existing Demand Response (DR) resources are reflected in the LCR technical studies. PG&E provided the CAISO with DR resources mapped to WECC bus as part of compiling the study inputs, but it is not clear how this information was ultimately utilized to inform the study results.

More generally, PG&E is interested in working with the CAISO and stakeholders to better understand how PG&E's DR resources can be used to help meet local reliability requirements. As the CAISO seeks to evaluate the potential for pre-dispatch of slow response DR in the recently initiated special study (part of the 2016-2017 Transmission Planning Process), a good first step would be for the CAISO to explain how current DR resources are factored into the LCR study and what criteria have been established for inclusion or exclusion of such resources for meeting local reliability needs.

ISO response: The 2017 LCR base cases have been built from the 2015-2016 Transmission Planning Process (TPP) base cases, during December 2015 and posted for stakeholder comments on January 14, 2016. The 2017 LCR base case stakeholder comment period ended on January



28, 2016. Similar to all 2015-2016 or previous years' TPP base cases, the 2017 LCR base cases do not include specific DR models in PG&E area.

PG&E (PTO) and the ISO are currently evaluating the provided DR models as well as the proper way of use for inclusion in the 2016-2017 TPP process. PG&E can identify as part of their resource selection the DR that it believes address the local capacity requirement and it may be counted to the extent that the identified resources resolve studied contingencies. The new base cases will be utilized this year in the 2021 and 2026 Long-Term LCR studies as well as the next year 2018 LCR studies.

In assessing the effectiveness of the resources, the ISO will have to take into account its location within the local capacity area. Further, the ISO has begun consultation on additional issues related to the use of DR, and in particular the necessary characteristics for slow response products to be dispatched on a pre-contingency basis.