



## Stakeholder Comments Template

### RA Enhancements

This template has been created for submission of stakeholder comments on the straw proposal part two that was published on February 28. The paper, Stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on March 20.

Submitted by	Organization	Date Submitted
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Commission Staff (hereafter, “Staff”) appreciate the opportunity to comment on the CAISO’s proposal. Staff thanks the CAISO for its significant efforts to reform the current reliability requirements framework to ensure reliability. Staff notes that it does not provide in depth comments on many elements of the straw proposal but instead focuses primarily on the need for coordination between agencies. Staff reserves the right to comment on aspects not addressed in these comments in future proposal iterations and stakeholder workshops.

Staff remains concerned that the CAISO is not appropriately coordinating this initiative with the Commission. This concern was highlighted in Staff’s RA Enhancements Part 1 comments, and was not adequately addressed in its Part 2 straw proposal.

CAISO’s Part 2 straw proposal seeks to fundamentally change the current reliability construct so that LSEs would have two separate RA requirements. CAISO proposes that CAISO RA requirements be based off of a Unforced Capacity (UCAP) requirement rather than the current CPUC adopted load plus the planning reserve margin (PRM) based requirement. This would create two procurement frameworks in California – one created by the CPUC for the bilateral market and one created by the CAISO used to inform backstop. This would lead to inconsistencies between the manner in which the CPUC enforces reliability for the bilateral market and the manner in which the CAISO performs backstop procurement. Confusion regarding procurement requirements could lead to enforcement issues and increased costs for LSEs which will in turn get passed onto their customers.

CAISO appears to be moving unilaterally to establish its own set of RA obligations and qualifying resource values for which it would perform backstop procurement (collective and individual).

These proposed changes will ultimately inform contracting and the value a resource can count towards meeting RA requirements, which impacts areas of Commission jurisdiction, including rates.

It is critical that the CAISO not change RA rules that would impact the bilateral RA market prior to the Commission adopting those rules through its processes. Staff request that the CAISO make clear in the next iteration of its proposal how it intends to coordinate its proposal with the Commission, to avoid establishing two separate capacity programs that would be inconsistent and confusing to LSEs engaging in the bilateral market.

Staff also requests that the CAISO clarify in its proposal how it will ensure consistency with California's statutory language detailed below.

As stipulated in California Public Utilities Code (PUC) 380:

- (a) The commission, in consultation with the Independent System Operator, shall establish resource adequacy requirements for all load serving entities.
- (b) In establishing resource adequacy requirements, the commission shall ensure the reliability of electrical service in California while advancing, to the extent possible, the state's goals for clean energy, reducing air pollution, and reducing emissions of greenhouse gases. The resource adequacy program shall achieve all of the following objectives:...

Additionally, PU Code 380 states that:

- (e) the commission shall implement and enforce the resource adequacy requirements in accordance with this section in a nondiscriminatory manner. Each load-serving entity shall be subject to the same requirements for resources adequacy...that are applicable to electrical corporations pursuant to this section, or otherwise required by law, or order or decision of the commission. The commission shall exercise its enforcement powers to ensure compliance by all load-serving entities.