

Resource Adequacy Compliance Overview



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Purpose of Presentation

- Provide an overview of the mechanics of CPUC administered Resource Adequacy in lieu of CAISO proposal to modify backstop procurement mechanisms
 - Timeline of RA Compliance
 - Cure periods
 - Penalty Structure and Amounts
 - Highlight difference between CPUC and CAISO RA administration



Timeline of CPUC RA Compliance





Current RA Penalty Structure for Deficiencies

• Adopted in D.11-06-022

	Deficiency in either System or Local RA Filing (Modifying Appendix A in Resolution E-4195)	
	System RA Penalty	Local RA Penalty
Deficiency cured within five business days from the date of notification by Energy Division	\$5,000 per incident if the deficiency is 10 MW or smaller, \$10,000 for a deficiency larger than 10 MW. For the second and each subsequent deficiency in any calendar year, penalties will be \$10,000 per incident if the deficiency is 10 MW or smaller, \$20,000 for a deficiency larger than 10 MW.	\$5,000 per incident if the deficiency is 10 MW or smaller, \$10,000 for a deficiency larger than 10 MW. For the second and each subsequent deficiency in any calendar year, penalties will be \$10,000 per incident if the deficiency is 10 MW or smaller, \$20,000 for a deficiency larger than 10 MW
Replaced after five-business days from the date of notification or not replaced	\$6.66/kW-month	\$3.33/kW-month





Current Penalty Structure for Other Specified Violations

Specified Violation	Scheduled Penalty
Failure to file Historic Load Data at the time or in the manner required.	\$1,000 per incident plus \$500 per day for the first ten days the filing was late and \$1,000 for each day thereafter.
Failure to file a Preliminary Load Forecast at the time or in the manner required.	\$1,000 per incident plus \$500 per day for the first ten days the filing was late and \$1,000 for each day thereafter.
Failure to file a Month-Ahead System Resource Adequacy Compliance Filing at the time or in the manner required.	\$1,000 per incident plus \$500 per day for the first ten days the filing was late and \$1,000 for each day thereafter.
Failure to file a Year-Ahead System Resource Adequacy Compliance Filing at the time or in the manner required.	\$1,000 per incident plus \$500 per day for the first ten days the filing was late and \$1,000 for each day thereafter.
Failure to comply with a request for information from Energy Division that is reasonably related to implementation of the resource adequacy requirements in the time or in the manner required.	\$1,000 per incident plus \$500 per day for the first ten days the filing was late and \$1,000 for each day thereafter.





Current Differences between CPUC and CAISO RA Requirements

- Rounding is not consistent between CPUC and CAISO.
- Local Area Requirements v. TAC Area Requirements
 - CAISO bases shortages/deficiencies off of LSEs TAC area requirements. CPUC uses individual local area requirements.
- CPUC does **not** have a scheduled outage replacement rule and therefore no scheduled outage input goes into determining if a deficiency exists.
- Cost allocation differences: across TAC area vs. LSE specific





Potential Jurisdictional Change

Currently

- When the CPUC finds an LSE deficient, and the CAISO finds a collective deficiency— if left uncured—the CAISO has the authority to recover backstop costs from the *individual* CPUC jurisdictional LSE.
- When CPUC does *not* find an LSE deficiency but the CAISO finds a collective deficiency, the CAISO can recover backstop costs **ONLY** from the TAC area where the collective deficiency exists.

ISO Proposal

- When the CAISO finds a CPUC regulated LSE deficient and the CPUC does not—if left uncured—the CAISO can procure the needed capacity and recover those costs from the individual CPUC jurisdictional LSE.
- CPUC does not have to find a deficiency in order for costs to be recovered from the CPUC jurisdictional LSEs.





Details: Differences b/w CAISO and CPUC RA

- Rounding: CPUC rounds local and system requirements to the whole MW value. CAISO rounds local requirements to the hundredth.
- CPUC bases compliance off of a North and South Path constraint.
 CAISO does not look at this system constraint.
- The CAISO scheduled outage replacement rule gives them the authority to do backstop if a scheduled outage replacement is needed and not replaced.
- The cost associated with backstop can only be recovered by the entire TAC area where the replacement capacity was needed (although this may change with the proposal as well).

