



Evaluation Report of Load Serving Entities'
and Central Procurement Entities'
Compliance with 2023 Resource Adequacy
Requirements

November 10, 2022

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1. Summary of review

The ISO has reviewed and evaluated the aggregate 2023 annual Resource Adequacy (RA) Plans of load serving entities (LSEs) and central procurement entities (CPEs) received as of November 9, 2022 to assess compliance with annual Local, System and Flex Resource Adequacy requirements. In addition, the ISO has evaluated the effectiveness of the Resource Adequacy Resources and RMR resources that have been procured by LSEs and CPEs to assess compliance in Local Capacity Areas with the Local Capacity Technical Study criteria as required by Tariff Sections 43.2.1.1 and 43.2.2. The ISO's evaluation has identified individual LSE/CPE and collective capacity deficiencies in several Local Capacity Areas in the PG&E TAC Area. The ISO's evaluation shows aggregate compliance with the LCR criteria in the SCE, SDG&E, VEA and MWD TAC Areas. A deficiency occurs when the aggregate portfolio of Resource Adequacy Resources that has been procured, including RMR resources, fails to satisfy the adopted reliability criteria in a Local Capacity Area. The tariff provides an opportunity for LSEs and CPEs to cure individual or collective deficiencies before the ISO can engage in any backstop procurement.

The ISO notes that the deficient LSEs and CPEs are not required to purchase capacity from specific units, which are identified as being able to satisfy the LCR criteria for purposes of meeting individual deficiencies. LSEs and CPEs (including those deficient at this time) can purchase capacity from any resources with a local attribute in the TAC Area. However, to the extent that the aggregate LSE and CPE showings do not comprise the right mix of resources that meet the LCR criteria and ISO effectiveness needs, a deficiency may exist that would cause the ISO to procure individual and/or collective backstop capacity.

2. Resource Adequacy requirements

The following provides the assessment of the aggregate 2023 annual Resource Adequacy (RA) plans of load serving entities (LSEs) and central procurement entities (CPEs) including the identified shortfalls for system, flex and local capacity Resource Adequacy requirements.

2.1 System Resource Adequacy requirements

The ISO's evaluation shows aggregate compliance with the year ahead RA requirement for all five summer months.

2.2 Flex Resource Adequacy requirements

The ISO's evaluation shows aggregate compliance with the year ahead flex RA requirement for all months.

2.3 Local Resource Adequacy requirements

The LSEs year-ahead RA showings evaluation was performed with the same assumptions as the 2023 LCR report that was used to give LSEs and CPEs their LCR allocations, namely the LCR report dated April 28, 2022

<http://www.aiso.com/Documents/Final2023LocalCapacityTechnicalReport.pdf>. The LSEs/CPEs and suppliers are subject to the RA replacement requirement and are subject to ISO capacity procurement mechanism backstop authority as approved by FERC.

2.3.2 Southern California Edison (SCE) TAC Area

The ISO's evaluation shows aggregate compliance with the LCR criteria.

2.3.3 San Diego Gas and Electric (SDG&E) TAC Area

The ISO's evaluation shows aggregate compliance with the LCR criteria.

2.3.4 Pacific Gas and Electric (PG&E) TAC Area

The following is a summary of the deficiencies in the PG&E TAC area.

1. The remaining local Resource Adequacy technical need in the PG&E TAC Area totals 374.33 MW.
2. At this time, individual LSE/CPE local deficiencies in the PG&E TAC Area total 9222.36 MW.
3. At this time, the collective deficiency can only be given as a range (see page 1 paragraph 2 above) from a minimum deficiency of 0.00 MW to a maximum deficiency of 374.33 MW. If the individual deficient LSE/CPE purchase capacity from local resources to fill their shortfall and at the same time those resources meet the remaining technical need than collective deficiency will be minimized, but if not, then the collective deficiency could reach the maximum.

Need explanation by non-compliant area(s) and sub-area(s):

Bay Area:

An additional 65.46 MW is needed, from the relevant resources listed in Appendix A, in order to satisfy the LCR criteria. The remaining technical need is driven by:

- San Jose sub-area: with remaining need of 65.46 MW

Sierra Area:

An additional 56.23 MW is needed, from the relevant resources listed in Appendix A, in order to satisfy the LCR criteria. The entire remaining technical need is driven by these sub-areas:

- Drum-Rio Oso sub-area: with remaining need of 53.34 MW
- Gold Hill-Drum sub-area: with remaining need of 2.89 MW

North Coast/North Bay Area:

An additional 211.59 MW is needed, from the relevant resources listed in Appendix A, in order to satisfy the LCR criteria. The remaining technical need is driven by:

- Eagle Rock sub-area: with remaining need of 25.11 MW
- North Coast/North Bay overall: with remaining need of 211.59 MW

Stockton Area:

An additional 28.43 MW is needed, from the relevant resources listed in Appendix A, in order to satisfy the LCR criteria. The entire remaining technical need is driven by these sub-areas:

- Tesla-Bellota sub-area with remaining need of 28.43 MW

Fresno Area:

An additional 12.62 MW is needed, from the relevant resources listed in Appendix A, in order to satisfy the LCR criteria. The entire remaining technical need is driven by these sub-areas:

- Wilson 115 kV sub-area: with remaining need of 12.62 MW

3. Process for curing a Collective Deficiency:

For purposes of curing a collective deficiency, a Scheduling Coordinator for an LSE/CPE may submit a revised annual Resource Adequacy Plan by **December 12, 2022**, to demonstrate the procurement of additional Local Capacity Area Resources consistent with this notice in order to resolve the collective deficiency as provided by Tariff Section 43.2.2.1. Any Scheduling Coordinator for an LSE/CPE that provides such additional Local Capacity Area Resources consistent with this market notice shall have its share of any backstop procurement costs reduced on a proportionate basis in accordance with the Tariff. If the full quantity of capacity in the deficient Local Capacity Areas is not reported to the ISO under revised annual Resource Adequacy Plans, the ISO may engage in backstop procurement sufficient to alleviate the collective deficiency.

Scheduling Coordinators for LSEs and CPEs are further reminded of the ISO BPM Appeals Committee's Decision on Appeal of PRR 854:

“While this stakeholder process is underway, the ISO will continue to conduct its Local Capacity Technical Study as required by Section 40.3.1.1 of its tariff, but the ISO will use its discretion not to exercise its Capacity Procurement Mechanism authority to address annual resource deficiencies that are directly attributable to a discrepancy between a local regulatory authority’s resource adequacy counting rules for demand response resources and ISO’s Local Capacity Technical Study.”

Appendix A – List of physical resources by TAC area, local area, sub-area and market ID

<u>TAC Area</u>	<u>Mkt./Physical Res. ID</u>	<u>Physical Resource Name</u>	<u>NQC (MW)</u>	<u>Available (MW)</u>	<u>Local Area</u>	<u>LCR Need</u>
PG&E	CALPIN_1_AGNEW	Agnews Power Plant	28.56	3.56	Bay Area	San Jose
PG&E	CSCCOG_1_UNIT 1	Santa Clara Co-gen	6.00	6.00	Bay Area	San Jose
PG&E	GILRPP_1_PL1X2	Gilroy EC Units 1&2 Aggregate	95.20	55.20	Bay Area	San Jose
PG&E	GILRPP_1_PL3X4	Gilroy EC Unit 3	46.20	0.70	Bay Area	San Jose
PG&E	ADLIN_1_UNITS	Geysers Aidlin Aggregate	22.00	22.00	NCNB	Eagle Rock
PG&E	GYS7X8_7_UNITS	Geysers Units 7 & 8 Aggregate	95.80	19.80	NCNB	Eagle Rock
PG&E	INDVLY_1_UNITS	Indian Valley Hydro	1.59	1.59	NCNB	Eagle Rock
PG&E	POTTER_6_UNITS	Potter Valley	1.42	1.42	NCNB	Eagle Rock
PG&E	ADLIN_1_UNITS	Geysers Aidlin Aggregate	22.00	22.00	NCNB	NCNB
PG&E	GEYS13_7_UNIT13	GEYSERS UNIT 13	56.00	10.00	NCNB	NCNB
PG&E	GEYS14_7_UNIT14	GEYSERS UNIT 14	70.00	70.00	NCNB	NCNB
PG&E	GEYS16_7_UNIT16	GEYSERS UNIT 16	63.00	14.00	NCNB	NCNB
PG&E	GEYS17_7_UNIT17	GEYSERS UNIT 17	75.50	19.50	NCNB	NCNB
PG&E	GEYS18_7_UNIT18	GEYSERS UNIT 18	72.00	37.00	NCNB	NCNB
PG&E	GEYS20_7_UNIT20	GEYSERS UNIT 20	50.00	10.00	NCNB	NCNB
PG&E	GYS7X8_7_UNITS	Geysers Units 7 & 8 Aggregate	95.80	19.80	NCNB	NCNB
PG&E	INDVLY_1_UNITS	Indian Valley Hydro	1.59	1.59	NCNB	NCNB
PG&E	NCPA_7_GP1UN1	NCPA Geo Plant 1 Unit 1	38.85	12.26	NCNB	NCNB
PG&E	NCPA_7_GP1UN2	NCPA Geo Plant 1 Unit 2	39.94	15.92	NCNB	NCNB
PG&E	NCPA_7_GP2UN4	NCPA Geo Plant 1 Unit 4	52.73	15.84	NCNB	NCNB
PG&E	POTTER_6_UNITS	Potter Valley	1.42	1.42	NCNB	NCNB
PG&E	SANTFG_7_UNITS	GEYSERS CALISTOGA	72.00	67.00	NCNB	NCNB
PG&E	SMUDGO_7_UNIT 1	Sonoma Power Plant	47.00	5.00	NCNB	NCNB
PG&E	DAVIS_7_MNMETH	MM Yolo Power LLC	2.33	2.33	Sierra	Drum-Rio Oso
PG&E	DEADCK_1_UNIT	DEADCK_1_UNIT	0.02	0.02	Sierra	Drum-Rio Oso
PG&E	DEERCR_6_UNIT 1	DEER CREEK	3.14	3.14	Sierra	Drum-Rio Oso
PG&E	FORBST_7_UNIT 1	FORBESTOWN HYDRO	37.50	6.19	Sierra	Drum-Rio Oso
PG&E	HAYPRS_6_HAYHD1	Haypress Lower	2.50	2.50	Sierra	Drum-Rio Oso
PG&E	HAYPRS_6_HAYHD2	Haypress Middle	2.89	2.89	Sierra	Drum-Rio Oso
PG&E	HIGGNS_1_COMBIE	Combie South	0.33	0.33	Sierra	Drum-Rio Oso
PG&E	KELYRG_6_UNIT	KELLY RIDGE HYDRO	11.00	1.81	Sierra	Drum-Rio Oso
PG&E	OXBOW_6_DRUM	OXBOW HYDRO	3.22	3.22	Sierra	Drum-Rio Oso
PG&E	SLYCRK_1_UNIT 1	SLY CREEK HYDRO	13.00	2.13	Sierra	Drum-Rio Oso
PG&E	WDLEAF_7_UNIT 1	WOODLEAF HYDRO	60.00	9.87	Sierra	Drum-Rio Oso
PG&E	YUBACT_1_SUNSWT	Yuba City Cogen	49.97	2.97	Sierra	Drum-Rio Oso
PG&E	YUBACT_6_UNITA1	Yuba City Energy Center	47.16	15.94	Sierra	Drum-Rio Oso
PG&E	PLACVL_1_CHILIB	Chili Bar Powerhouse	2.89	2.89	Sierra	Gold Hill-Drum
PG&E	PHOENX_1_UNIT	Phoenix PH	0.92	0.92	Stockton	Tesla-Bellota
PG&E	SCHLTE_1_PL1X3	Murphys Powerhouse	336.04	26.97	Stockton	Tesla-Bellota

PG&E	VLHOM_7_SSJID	Woodward Power Plant	0.54	0.54	Stockton	Tesla-Bellota
PG&E	CHWCHL_1_BIOMAS	Chow II Biomass to Energy	9.39	0.39	Fresno	Wilson 115 kV
PG&E	ELNIDP_6_BIOMAS	EI Nido Biomass to Energy	9.24	0.24	Fresno	Wilson 115 kV
PG&E	MCSWAN_6_UNITS	MC SWAIN HYDRO	8.73	8.73	Fresno	Wilson 115 kV
PG&E	MERCFL_6_UNIT	Merced Falls Powerhouse	3.26	3.26	Fresno	Wilson 115 kV