

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to  
Oversee the Resource Adequacy  
Program, Consider Program Reforms  
and Refinements, and Establish  
Forward Resource Adequacy  
Procurement Obligations.

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Rulemaking 23-10-011

**OPENING COMMENTS OF THE  
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION  
ON TRACK 3 PROPOSALS**

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**I. Introduction**

Pursuant to the *Assigned Commissioner's Amended Scoping Memo and Ruling* (Ruling) issued on November 1, 2024, the California Independent System Operator Corporation (CAISO) submits opening comments on Track 3 proposals filed in this proceeding.

The CAISO's comments focus on ensuring resource adequacy (RA) program requirements meet a 0.1 loss of load expectation (LOLE) across the year. The CAISO is concerned that Energy Division's two proposals for the 2026 planning reserve margin (PRM) fall short of establishing RA requirements that meet a 0.1 LOLE, increasing the likelihood of an unreliable RA fleet in 2026. The CAISO understands that the Commission's proposals seek to balance reliability and affordability. However, the Commission should consider reforms that directly address drivers of high RA prices, rather than first relaxing RA requirements below levels needed to meet a 0.1 LOLE, in order to address affordability concerns. The CAISO recommends the Commission investigate the RA price concerns and factors that parties raise in Track 3 proposals.

Energy Division's 2026 PRM proposals do not effectively increase the binding PRM in summer months above the 17% adopted for 2024 and 2025. This appears inconsistent with a trend of increases in RA supply and limited increases in the California Energy Commission's (CEC) demand forecast for 2026, which suggests the Commission could increase the binding PRM above the 17% level adopted for 2024 and 2025.

The CAISO also highlights that the proposals' use of an "effective" PRM and establishing a process for seeking system waivers with a price threshold well below going RA prices have several shortcomings, including reducing the efficacy of CAISO RA processes and increasing reliance on the CAISO's backstop procurement mechanisms. Regardless of the Commission's PRM approach, the CAISO urges the Commission not to adopt a system waiver process or PRM for 2027 at this time.

The CAISO appreciates the Commission issuing a significant amount of new resource procurement through the Integrated Resource Planning (IRP) proceeding, which may provide sufficient capacity to competitively meet a 0.1 LOLE in the RA program. The Commission should leverage IRP to exit the ongoing cycle of reducing RA requirements below levels needed to meet the 0.1 LOLE reliability target.

The CAISO supports the general direction of Energy Division's unforced capacity (UCAP) proposal, and encourages further coordination with the CAISO to refine this proposal. The Commission should adopt the key elements of Energy Division's UCAP proposal to provide greater certainty to parties that the Commission seeks to implement a UCAP framework. If the Commission adopts Energy Division's UCAP proposal in Track 3, it should do so with the expectation that the Commission's UCAP proposal will evolve further before implementation. The Commission should also establish that it would implement its UCAP framework concurrently with the CAISO's RA reforms related to UCAP.

The CAISO also comments on other party proposals. The CAISO supports the California Community Choice Association's (CalCCA) proposal to formalize how load-serving entities (LSEs) can show deliverable co-located variable energy resources (VERs) to meet RA or storage charging sufficiency requirements under the Slice of Day framework. However, the Commission should not adopt other proposals from CalCCA and Southern California Edison (SCE) related to co-located resources at this time. These proposals need more discussion and consideration of how they will impact related processes, including the CAISO's RA processes. Finally, the CAISO agrees with SCE that the Commission should align its rules regarding RA resource bids into the CAISO's residual unit commitment (RUC) market and RUC compensation with the CAISO's new day-ahead market enhancements (DAME) and extended day-ahead market (EDAM) policies.

## **II. Discussion**

### **A. The Commission Should Establish RA Requirements that Meet a 0.1 Loss of Load Expectation Across the Year.**

Energy Division submits two proposals for the 2026 PRM: Proposal A and Proposal B. Proposal A includes a 17% PRM paired with an effective PRM up to 21% from June to October. Proposal B includes a 21% PRM between June and October and 20% PRM in other months, with an option for LSEs to request system waivers for RA requirements above 17% between June and September.<sup>1</sup> Both proposals result in RA requirements that fall below the level needed to meet a 0.1 LOLE. A 0.1 LOLE reliability target is an industry-accepted measure of supply sufficiency and can help prevent capacity shortfalls. Therefore, the CAISO is concerned that both proposals will have adverse reliability impacts in 2026.

The CAISO continues to urge the Commission to establish binding RA requirements that meet a 0.1 LOLE across the year.

#### **1. The Commission Should Investigate Drivers of High RA Prices and Consider Reforms that Directly Address these Drivers.**

Energy Division shows that RA prices are higher than historical prices and have trended upwards in recent years.<sup>2</sup> Energy Division's proposals seek to address the concern that higher PRM levels could exacerbate high RA prices.<sup>3</sup> The CAISO understands concerns about high RA prices, and the CAISO supports the Commission's efforts to balance affordability and reliability in the RA program. However, Energy Division's proposals do not demonstrate how the proposals will achieve either of these objectives.

Energy Division suggests that a key driver of high RA prices is suppliers exercising market power.<sup>4</sup> On the other hand, parties have identified other potential drivers of high RA prices in Track 3 proposals. For example, CalCCA explains that RA obligations have an hourly granularity but most supply resources cannot be procured on an hourly basis. This leads to LSEs

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<sup>1</sup> Energy Division Track 3 Proposals, R. 23-10-011, p. 14, amended by Energy Division pursuant to revisions presented on February 12, 2025 (Slide 11):

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M557/K609/557609748.PDF>

<sup>2</sup> Energy Division Track 3 Proposals, R. 23-10-011, p. 11.

<sup>3</sup> Energy Division Track 3 Proposals, R. 23-10-011, p. 11.

<sup>4</sup> *Id.*

needing to procure a supply resource's 24-hour capacity to meet a single hourly obligation, resulting in excess procurement in other hours.<sup>5</sup>

To address affordability concerns, Energy Division should investigate drivers of high RA prices and consider reforms that directly address these drivers. The Commission should not first resort to relaxing RA requirements below levels needed to meet a 0.1 LOLE reliability target as the solution to mitigate RA prices.

## **2. The CAISO Has Concerns with PRM Proposals that Do Not Meet a 0.1 LOLE Across the Year.**

The CAISO has concerns with Energy Division's 2026 PRM proposals because both result in RA requirements below the level needed to meet a 0.1 LOLE. In Proposal A, Energy Division proposes a 17% binding PRM with an "effective" PRM. A 17% PRM is below the level that Energy Division's amended LOLE study and PRM analyses states is necessary to meet a 0.1 LOLE across the year. Procurement targets under the "effective" PRM are not binding, and thus may not result in LSEs procuring an RA portfolio that meets a 0.1 LOLE across the year.

Energy Division's Proposal B also falls short of establishing RA requirements that meet 0.1 LOLE because it includes the potential for LSEs to seek system RA waivers with a price threshold well below going RA prices. Under Proposal B, the Commission would consider whether to grant waivers of system RA penalties if LSEs demonstrate they have made all commercially reasonable efforts to procure at a certain price threshold. Energy Division's proposed price thresholds range from \$7.34/kW-month to \$9.78/kW-month. This price range is well below Energy Division's estimate of prevailing weighted average RA capacity prices and equal to the CAISO's Capacity Procurement Mechanism (CPM) soft offer cap price on the low end.<sup>6</sup> As such, the CAISO expects it will be easy for LSEs to meet the requirements for system RA waivers.

Based on observed RA prices relative to the proposed price thresholds, the CAISO is concerned that LSEs will simply opt for system waivers rather than engaging in RA procurement up front. If the Commission grants a significant amount of system waivers, the RA portfolio will fall short of levels needed to meet a 0.1 LOLE. The CAISO is concerned this proposal will

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<sup>5</sup> CalCCA Track 3 Proposals, R. 23-10-011, p. 4.

<sup>6</sup> Energy Division calculates a preliminary estimate of weighted average RA capacity prices of \$19.28/kW-mo, Energy Division Revised LOLE Study, R. 23-10-011, p. 11.

significantly weaken front-stop RA procurement under the Commission, resulting in a significant increase in reliance on CAISO backstop procurement mechanisms. As discussed further below, the CAISO's backstop procurement mechanisms should not be used to front-stop Local Regulatory Authority (LRA) RA procurement.

Overall, the CAISO is concerned that both Energy Division PRM proposals will not result in a reliable RA fleet and will increase reliability risks in 2026.

### **3. The Commission should leverage IRP to exit the ongoing cycle of reducing RA requirements below levels needed to meet reliability targets.**

In recent years, the Commission has issued a significant amount of new resource procurement through the IRP proceeding. These orders have contributed to a considerable increase in new capacity on the grid, enhancing grid reliability. The IRP proceeding plans to meet a 0.1 LOLE, and the Commission has indicated that LSEs continue to contract for new capacity to come online for years forward.<sup>7</sup> Furthermore, the IRP has adopted Preferred System Plans that exceed 0.1 LOLE to achieve carbon reduction goals. As a result, IRP may provide sufficient capacity to competitively meet a 0.1 LOLE in the RA program. The CAISO remains concerned about the Commission's use of mechanisms in the RA program that reduce RA requirements below levels necessary to meet a 0.1 LOLE. The Commission should leverage IRP to exit the ongoing cycle of reducing RA requirements below levels needed to meet reliability targets.<sup>8</sup>

Additionally, the CAISO understands that the Commission will soon publish an updated Reliability and Clean Power Procurement Program (RCPPP) proposal in the IRP proceeding. The CAISO strongly supports the Commission establishing a more predictable long-term procurement framework based on IRP plans to help ensure the timely development of new resources to meet reliability and greenhouse gas reduction targets. The CAISO urges the Commission to prioritize this work and address in IRP and RA proceedings how to exit the ongoing cycle of lowering RA requirements below levels needed to meet the 0.1 LOLE

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<sup>7</sup> CPUC, Resource Tracking Data (Data current as of January 2025), Slide 16: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/summer-2021-reliability/tracking-energy-development/resource-tracking-data-january-2025-release.pdf>

<sup>8</sup> The Commission should ensure that IRP planning and procurement work hand in hand with the RA program such that the resource fleet available in the RA timeframe can effectively meet the 0.1 LOLE reliability target. The Commission should also consider whether IRP will ensure sufficient supply margins to support competition in the RA timeframe.



reliability target. Reducing RA requirements introduces reliability risks in the month-ahead and operational timeframes where options to alleviate reliability risks are limited.

**B. The Commission Should Discontinue Use of an “Effective” PRM and Should not Adopt Measures that Will Weaken Front-Stop RA Procurement.**

**1. Use of an “Effective” PRM Has Several Shortcomings.**

The CAISO continues to have concerns with the use of an “effective” PRM for several reasons. First, the “effective” PRM hampers the CAISO’s ability to use its backstop procurement mechanisms because the CAISO cannot use backstop procurement mechanisms to cure for “effective” PRM deficiencies. Second, the “effective” PRM is not binding, so LSEs do not have an incentive to procure up to levels to meet the 0.1 LOLE reliability target. Third, deficiencies in meeting an “effective” PRM would not necessarily constitute a significant event under the CAISO tariff.

An “effective” PRM also reduces the efficacy of CAISO RA processes. Non-RA capacity procured under the “effective” PRM is not subject to CAISO RA rules such as must-offer obligations and the Resource Adequacy Availability Incentive Mechanism, limiting the efficacy of resource availability incentives. Without a must offer obligation, non-resource adequacy capacity does not have an obligation to submit offers to the CAISO for use in market operations.

Finally, LSEs can meet the “effective” PRM with resources that do not have the same reliability characteristics as resources used to meet traditional RA requirements. These non-RA resources may not provide the same contribution to reliability as RA resources, and the CAISO cannot rely on such resources to be available on a consistent basis.

**2. Energy Division’s Proposal B Will Inappropriately Increase Reliance on CAISO Backstop Procurement.**

The CAISO is concerned that Energy Division’s Proposal B will increase reliance on the CAISO’s CPM authority to backstop gaps between the Commission’s RA program targets and RA requirements needed to meet a 0.1 LOLE. The Commission’s RA program should facilitate front-stop procurement that results in a reliable RA portfolio. The Commission’s RA program should not rely on CAISO’s backstop procurement mechanisms as an alternative to meeting basic reliability targets. Instead, the Commission should design its IRP and RA programs to

achieve reliability targets up front and minimize reliance on CAISO backstop procurement mechanisms.

The California Public Utilities Code identifies the objectives that the Commission must consider when establishing RA requirements. One of the objectives is “(m)inimizing the need for backstop procurement by the Independent System Operator.”<sup>9</sup> The CAISO questions whether Energy Division’s Proposal B effectively meets this objective. Because prevailing RA prices are well above the proposed price thresholds to allow for system waivers, it is possible that the Commission will defer significant amount of capacity to the CAISO’s processes under Proposal B.

The CAISO is concerned about a potentially significant increase in reliance on CAISO backstop procurement. CAISO backstop procurement should not serve as a front-stop measure to meet RA targets. Additionally, the CAISO’s CPM is not designed to be a front-stop mechanism. Submitting and accepting offers in the CAISO’s CPM processes are voluntary. Additionally, CPM designations are for shorter durations than the duration of RA contracts that LSEs may otherwise enter into. Accordingly, the Commission should ensure robust front-stop procurement under its RA program, and the Commission should not rely on the CAISO’s backstop procurement mechanisms to front-stop LRA RA procurement

### **3. The Commission Should Use a PRM Higher than 17% as the Starting Point for Both Proposals.**

Energy Division’s Proposal A includes 17% as the binding PRM, above which an “effective” PRM applies from June to October. Proposal B would allow LSEs to apply for system waivers for shortfalls of obligations above a 17% PRM, up to a 21% PRM between June and September. Energy Division’s 2026 PRM proposals do not effectively increase the binding PRM in summer months above the 17% adopted for 2024 and 2025. These proposals appear inconsistent with a trend of increases in RA supply and limited increases in the CEC’s demand forecast for 2026, which suggests the Commission could increase the binding PRM above the 17% level adopted for 2024 and 2025. For example, new resources continue to connect to the CAISO system, including nearly 4 gigawatts (GW) of net qualifying capacity (NQC) megawatts

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<sup>9</sup> Cal. Pub. Util. Code § 380(h)(8).

(MW) in 2024.<sup>10</sup> Energy Division's stack analyses presented in Track 3 workshops also indicate it is possible for the RA fleet to meet higher PRM levels across all hours.<sup>11</sup> There should be sufficient capacity for Energy Division to justify increasing the starting point PRM above the 17% status quo in summer months. The CAISO urges the Commission to progress towards establishing a PRM that ensures RA requirements meet a 0.1 LOLE.

**C. At this time, the Commission Should Not Adopt a System Waiver Process or PRM for 2027.**

Energy Division proposes that the Commission adopt system waivers under Proposal B for 2026 and 2027.<sup>12</sup> Energy Division recommends adopting a system waiver for 2027 because Energy Division will not perform another LOLE study for 2027.

The Commission should not adopt a waiver process for 2027 at this time. LSEs continue to bring new capacity online pursuant to the Commission's IRP procurement orders, which should help alleviate supply concerns for 2027. In addition, adopting system waivers for 2027 at this time would diminish incentives for LSEs to continue bringing new capacity online by 2027 and weaken signals for RA contracting in general in the CAISO balancing area for 2027, creating risks for capacity shortfalls.

Between now and 2027, the Commission may adopt changes to its RA program, and the Commission will have updated information about supply and demand conditions and other factors that will impact the appropriate PRM level. Accordingly, it is premature to adopt a PRM for 2027 at this time.

**D. The CAISO Supports the General Direction of Energy Division's UCAP Proposal and Encourages Further Coordination with the CAISO to Refine the Proposal.**

The CAISO appreciates Energy Division's collaboration with the CAISO in the development of a UCAP proposal. The CAISO is working with its stakeholders to develop a UCAP framework in the CAISO's Resource Adequacy Modeling and Program Design

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<sup>10</sup> CPUC, Resource Tracking Data (Data current as of December 2024), Slide 4: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/summer-2021-reliability/tracking-energy-development/resource-tracking-data-december-2024-release.pdf>

<sup>11</sup> CPUC Energy Division, Workshop on Track 3 Proposals, February 12, 2025, Slice of Day 2026 Stack Analysis, Slides 52-56: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/resource-adequacy-homepage/resource-adequacy-compliance-materials/resource-adequacy-history/r23-10-011/ra-track-3-workshop-feb-12.pdf>

<sup>12</sup> Energy Division Track 3 Proposals, R. 23-10-011, p. 16.

(RAMPD) initiative. Through this process, the CAISO has received stakeholder feedback on the design of a potential UCAP framework at the CAISO. The CAISO recognizes that many elements of Energy Division's UCAP proposal directionally align with the CAISO's proposal currently under development. As the CAISO and its stakeholders continue to develop a UCAP proposal in the CAISO's RAMPD stakeholder process, the CAISO encourages continued collaboration with Energy Division on its UCAP proposal.

### **1. The Commission Should Adopt the Key Elements of Energy Division's UCAP Proposal.**

Energy Division's UCAP proposal contains several elements that many parties support, based on feedback the CAISO received in its stakeholder process. These elements include: (1) a resource-specific UCAP; (2) forced outage information based on data from CAISO's Outage Management System; and (3) applying UCAP de-rates to resource types that are not subject to other performance or probabilistic counting methodologies, including thermal and storage resources.

The CAISO sees merit in the Commission adopting key elements of Energy Division's UCAP proposal. Adopting key elements of a UCAP framework will provide parties with greater certainty about a future UCAP framework under the Commission. In addition, adopting key elements of a UCAP framework will allow Energy Division staff to begin considering how to update future LOLE study inputs and assumptions to reflect a UCAP framework. Lastly, it will provide direction to the CAISO to help guide RA reforms through the RAMPD stakeholder process.

### **2. If the Commission Adopts Energy Division's UCAP proposal, the UCAP Proposal Should Continue to Evolve Before Implementation.**

Energy Division's UCAP proposal includes several design elements that require further clarification and collaboration with the CAISO. These elements include how to treat hybrid resources, the nature-of-work outage types to be considered in determining the UCAP derate, and the methodology for applying ambient derates as part of UCAP.<sup>13</sup>

If the Commission adopts Energy Division's UCAP proposal, the Commission should direct Energy Division staff to continue coordinating with the CAISO on these elements and any

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<sup>13</sup> Energy Division Track 3 Proposals, R. 23-10-011, p. 2, 7, and 9, respectively.

other elements that may arise as the CAISO and its stakeholders develop a UCAP framework in the CAISO's stakeholder process.

### **3. The Commission Should Implement a UCAP Framework Concurrently with CAISO RA Reforms.**

The CAISO and its stakeholders are considering reforms to the CAISO's RA processes that are complementary and related to Energy Division's proposed UCAP framework, including changes to the CAISO's availability incentive mechanisms. To ensure alignment between resource availability and performance incentives, the Commission should closely coordinate implementation of a UCAP framework with the CAISO's RA reforms. The Commission should establish an expectation that it will implement any UCAP framework concurrently with the CAISO's complementary RA reforms in the RAMPD stakeholder process.

#### **E. The CAISO Supports CalCCA's Proposal to Formalize How LSEs Can Show Co-Located VERs with Partial Capacity Deliverability Status (PCDS) or Full Capacity Deliverability Status (FCDS) to Meet RA or Charging Sufficiency Requirements.**

CalCCA proposes that the Commission formalize a practice established by Energy Division last year regarding VERs with PCDS or FCDS that are co-located with energy storage resources behind a shared point-of-interconnection (POI).<sup>14</sup> This practice allows the PCDS or FCDS co-located VERs to count for either RA or charging sufficiency requirements, up to the POI limit of the co-located resource configuration, provided that the co-located VERs are not used to meet RA requirements above their deliverable capacity.

The Commission should adopt CalCCA's proposal. These co-located VERs have PCDS or FCDS, meaning they have been studied and determined to be able to serve CAISO load. Once the deliverability of the resource has been determined, the other remaining factor that would limit a co-located VERs from serving CAISO load is the POI limit of the co-located resource configuration. CalCCA's proposal appropriately considers this POI limit by restricting resource showings of deliverable capacity in the co-located resource configuration up to the POI limit. This approach ensures that LSEs are able to show deliverable resources that are not otherwise limited due to POI constraints, recognizing their contribution to reliability under the Slice of Day framework.

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<sup>14</sup> CalCCA Track 3 Proposals, R. 23-10-011, p. 18.

**F. The Commission Should Not Adopt Other Party Proposals Related to Co-Located Energy-Only Resources at this Time.**

Currently, the Commission does not allow LSEs to show energy-only resources as RA resources to the CAISO because these resources have not demonstrated their ability to be deliverable to load over the transmission system at the time of high system need (unlike FCDS or PCDS resources that have demonstrated such deliverability).

**1. CalCCA's Proposal to Allow Co-Located Energy-Only Resources to Meet RA Requirements Would Require Further Discussion and Development through a CAISO Stakeholder Process.**

CalCCA proposes that the Commission allow co-located energy-only resources (*i.e.* resources without PCDS or FCDS, but which are co-located with deliverable resources behind a POI) to count for the Commission's RA requirements.<sup>15</sup> CalCCA proposes to limit the resource capacity shown to meet RA requirements to the "deliverable POI limit," or the sum of the deliverable capacity of the resources comprising the co-located resource configuration. Essentially, CalCCA proposes that resources behind a POI be allowed to "transfer" deliverability between or among individual resources, regardless of their deliverability status for purposes of Slice of Day showings. CalCCA also proposes that the Commission impose a must-offer obligation (MOO) on the co-located energy-only resources shown to meet RA requirements, to ensure that these resources make their capacity available to the CAISO.

CalCCA recognizes that its proposal would require changes to CAISO rules.<sup>16</sup> The CAISO agrees. First, imposing a MOO on energy-only resources would require changes to the CAISO's tariff. The CAISO maintains that all RA resources should be subject to a MOO, and the CAISO's tariff and systems do not currently support applying a MOO to energy-only resources.

Second, CalCCA's proposal may require the CAISO to revisit how it studies and establishes deliverability for RA resources. A core tenet of the RA program is that RA resources must be capable of serving the aggregate of CAISO load. Currently, energy-only resources are not eligible to count as RA resources. Therefore, the CAISO does not study whether energy-only resources can serve the aggregate of CAISO load. Additionally, the CAISO does not award

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<sup>15</sup> CalCCA Track 3 Proposals, R. 23-10-011, p. 20.

<sup>16</sup> CalCCA Track 3 Proposals, R. 23-10-011, p. 24.

deliverability status to co-located resources at the POI level; the CAISO awards deliverability to individual resources. The CAISO also awards deliverability as a deliverability status (*i.e.* FCDS and PCDS) and not as a specific MW value.

Lastly, deliverability is only transferrable at the same POI among resources owned by the same entity on a year-ahead basis, not on a monthly basis. Before the Commission considers adopting CalCCA's proposal, the CAISO and its stakeholders should first consider in a CAISO stakeholder process whether changes to these existing rules are appropriate.

**2. The Commission Should Not Consider SCE's Proposal to Allow Co-Located VERs to Sell their Charging Sufficiency Attributes Until the Proposal is Further Clarified.**

SCE proposes, "[F]or any hybrid or co-located [VER] that is behind a [POI] with full deliverability status but which is allocated zero deliverability, such VER's charging sufficiency should stay with the applicable VER, which may sell or retain such charging sufficiency."<sup>17</sup> SCE acknowledges that further discussion between parties is needed "to assess and identify those RA-eligible storage resources that are eligible to purchase such VER's charging sufficiency capacity attributes."<sup>18</sup>

SCE's proposal needs further clarification. As SCE acknowledges, it is not clear which resources could use the VER's charging sufficiency capacity attributes in their showings. If adopted without clarification, the resource could be located outside of the POI in which the VER is located. This suggests an undeliverable energy-only resource may cross the transmission system to provide charging capacity.

The Commission should not adopt SCE's proposal until the proposal receives clarification and parties have an opportunity to comment on the updated proposal.

**G. The Commission Should Reconsider Existing RA Rules to Align with the CAISO's FERC-Approved DAME and EDAM Policies.**

SCE's Track 3 proposals include a recommendation regarding the CAISO's recently adopted tariff changes to implement the CAISO's DAME and EDAM initiatives. Specifically, SCE recommends, "In Track 3, the Commission should address changes to the CAISO energy

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<sup>17</sup> SCE Track 3 Proposals, R. 23-10-011, p. 7.

<sup>18</sup> *Id.*

market and corresponding CAISO rules for RA capacity.”<sup>19</sup> SCE explains that the CAISO expects to implement its DAME and EDAM policy changes in 2026, and the Commission should review and update its existing RA rules to align with the CAISO’s FERC-approved DAME and EDAM policies.<sup>20</sup> The CAISO supports SCE’s recommendation.

### **III. Conclusion**

The CAISO appreciates the opportunity to comment on party proposals.

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<sup>19</sup> SCE Track 3 Proposals, R. 23-10-011, p. 7.

<sup>20</sup> *Id.*, pp. 8-9.