



PG&E's Comments on Standard Capacity Product Phase II Draft Tariff Language

Submitted by	Date Submitted
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Pacific Gas & Electric Company (PG&E) appreciates the opportunity to comment on the Standard Capacity Product (SCP) Phase II Draft Tariff Language.

In general, there seems to be a fundamental problem with the proposed tariff. It's our understanding that there are two possible categories of intermittent resources considered under SCP Phase 2.

Category 1: (1) Resources whose Qualifying Capacity value is determined by historical output and (2) the CPUC or a Local Regulatory Authority does adjust the historical output data to correct for the possible double counting of outages.

Category 2: (1) Resources whose Qualifying Capacity value is determined by historical output and (2) the CPUC or a Local Regulatory Authority does **NOT** adjust the historical output data to correct for the possible double counting of outages.

It's our understanding the SCP Phase 2 rules should apply to Category 1 resources, and **NO** SCP rules (neither Phase 1 nor Phase 2) should apply to Category 2 resources (otherwise you have the double counting problem).

However, the tariff seems to apply SCP Phase 2 rules to Category 2 resources and is silent about Category 1 resources (see discussion of sections 40.9.2 and 40.9.4.2 below).

DETAILED COMMENTS

A) Availability Calculation for Intermittent Resources and Qualified Facilities

CAISO Proposed Tariff Language

Section 40.9.4.2:

1. *Except as provided in subsection (2), the monthly availability of each Resource Adequacy Resource will be the sum of the hourly available Resource Adequacy Capacity of the resource over all Availability Assessment Hours of the month, divided by the sum of the hourly Resource Adequacy Capacity of the resource as designated in the Supply Plan for the resource for those hours (...)*
2. *For Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output from the CPUC or a Local Regulatory Authority that does not adjust the historical output data to correct for the possible double counting of Outages, the monthly availability of each resource will be determined from three components: the total actual amount of Energy the resource delivered during all of the Availability Assessment Hours of the month; the Resource Adequacy Capacity of the resource as designated in its Supply Plan; and the resource's Net Qualifying Capacity as reduced by the same percentage by which any Forced Outages or temperature-related ambient de-rates reduced the resource's availability from its PMax capacity during the Availability Assessment hours (...).*

Comments

It was our understanding that the method used to calculate the SCP availability, as described in Section 40.9.4.2 (2), would only apply to Category 1 resources. The CAISO's proposed language seems to suggest that this calculation will apply to Category 2 resources.

It was also our understanding that Category 2 resources would be exempt from the SCP availability standards. However, the CAISO's proposed tariff language in Section 40.9.4.2 (2) seems to suggest otherwise. Applying availability standards without changing current counting rules would result in doubly penalizing these resources for a Forced Outage.

PG&E requests clarification on this key issue.

B) Grandfathering

CAISO Proposed Tariff Language

Section 40.9.2

3. (...) *Resource Adequacy Resources whose Qualifying Capacity value is determined by historical output from the CPUC or a Local Regulatory Authority*

that does not adjust the historical output data to correct for the possible double counting of Outages are subject to this subsection, except that the deadline date shall be August 1, 2010 instead of June 28, 2009.

Comments

It is our understanding that resources for which the historical data is not adjusted are exempt from SCP rules. SCP Phase 2 rules, including grandfathering, should apply to resources whose Qualifying Capacity value is determined by historical output and the CPUC or a Local Regulatory Authority does adjust the historical output data.

PG&E requests clarification on this key issue.

C) Non-Ambient Derates

CAISO Proposed Tariff Language

Section 40.9.4.2:

1. (...) *A Resource Adequacy Resource will be determined to be less than one hundred percent (100%) available in a given month if it has any Forced Outages, **non-ambient de-rates**, or temperature-related ambient de-rates that impact the availability of its designated Resource Adequacy Capacity during the Availability Assessment Hours of that month*

Comments

The term “non-ambient de-rates” should be deleted from the tariff language. Per the CAISO’s Revised Final Draft Proposal:¹

The phrase "Forced Outages, non-ambient derates, or temperature-related ambient derates" suggests that there are three different states that could affect the availability of a resource instead of two. The ISO proposes to correct the language (Section 40.9.4.2) to read "Forced Outages or temperature-related ambient derates".

¹Revised Draft Final Proposal Standard Capacity Product II (dated April 6).
<http://www.caiso.com/2771/27717a905e6a0.pdf>