



Flexible Capacity Needs and Availability Assessment Hours Technical Study for 2021

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What's the purpose of this call?

To discuss the assumptions, methodology, and draft results of the monthly flexible capacity requirement and Availability Assessment Hours Technical Study.

Specifically

Calculating requirements for all LRAs within the ISO footprint for RA compliance year 2021 and advisory flexible capacity requirements for compliance years 2022 and 2023

Agenda / Overview

- Background
- Process review
 - Expected build out from all LSEs (CPUC jurisdictional and non-jurisdictional)
 - Load, wind and solar profiles
 - Calculate 3-hour net load upward ramps
 - Add contingency reserves
 - Calculate monthly Flexible Capacity requirement
- Overview of methodology used for system/local availability assessment hours
 - 2021 availability assessment hours
 - 2022-2023 draft availability assessment hours

Each LSE Scheduling Coordinator shall make a year-ahead and month-ahead showing of flexible capacity for each month of the compliance year

Resource Adequacy (RA)

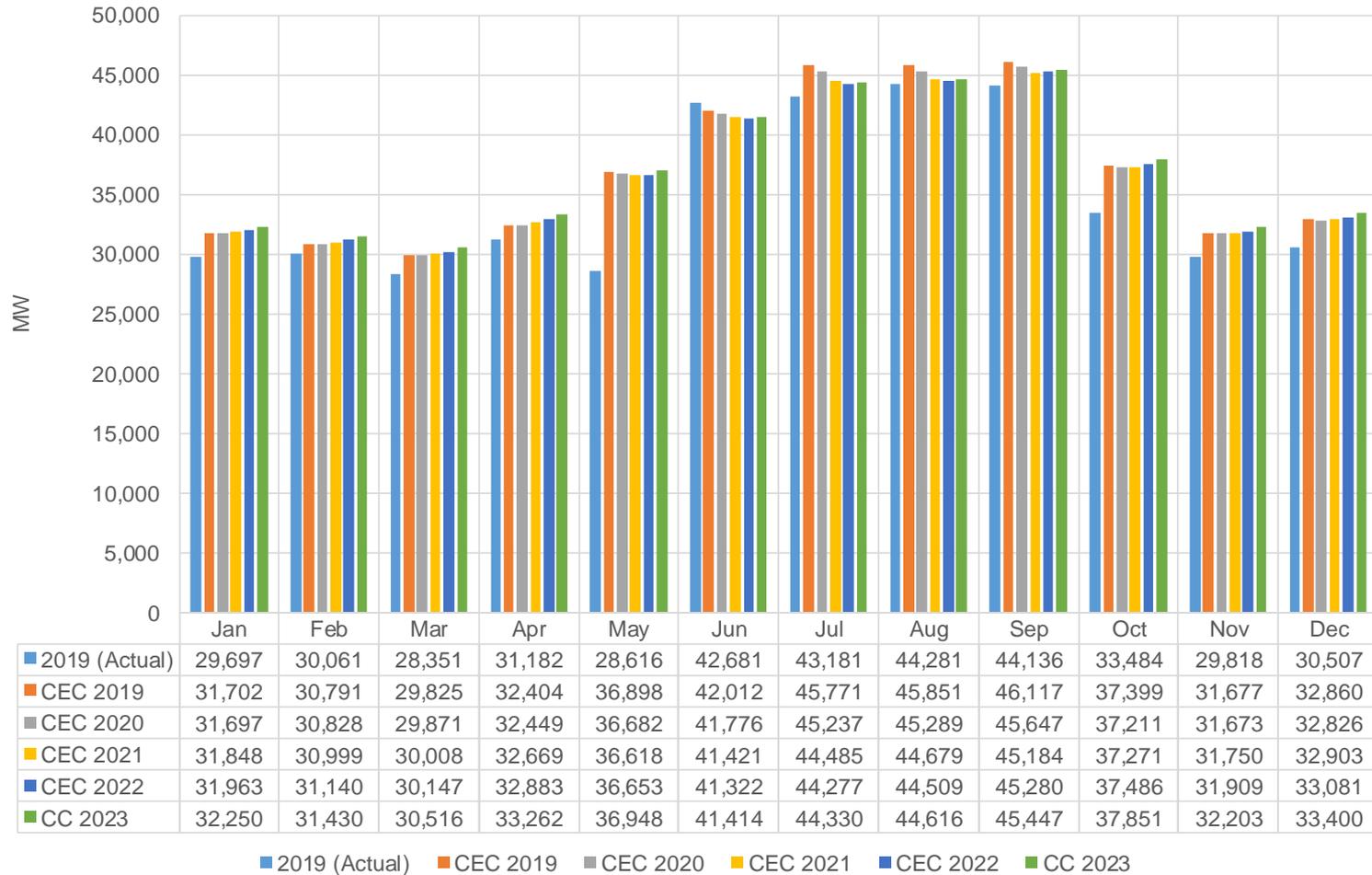
- Ensure LSEs contract for adequate capacity to meet expected flexible needs
- Year ahead: LSEs need to secure a minimum of 90% of the next years monthly needs
- Month ahead: LSEs need to secure adequate net qualified capacity to serve their peak load including a planning reserve margin and flexible capacity to address largest 3-hour net load ramps plus contingency reserves
- All resources participating in the ISO markets under an RA contract will have an RA must-offer-obligation
- Required to submit economic bids into the ISO's real-time market consistent with the category of flexible capacity

The ISO used the following data to determine the flexible capacity

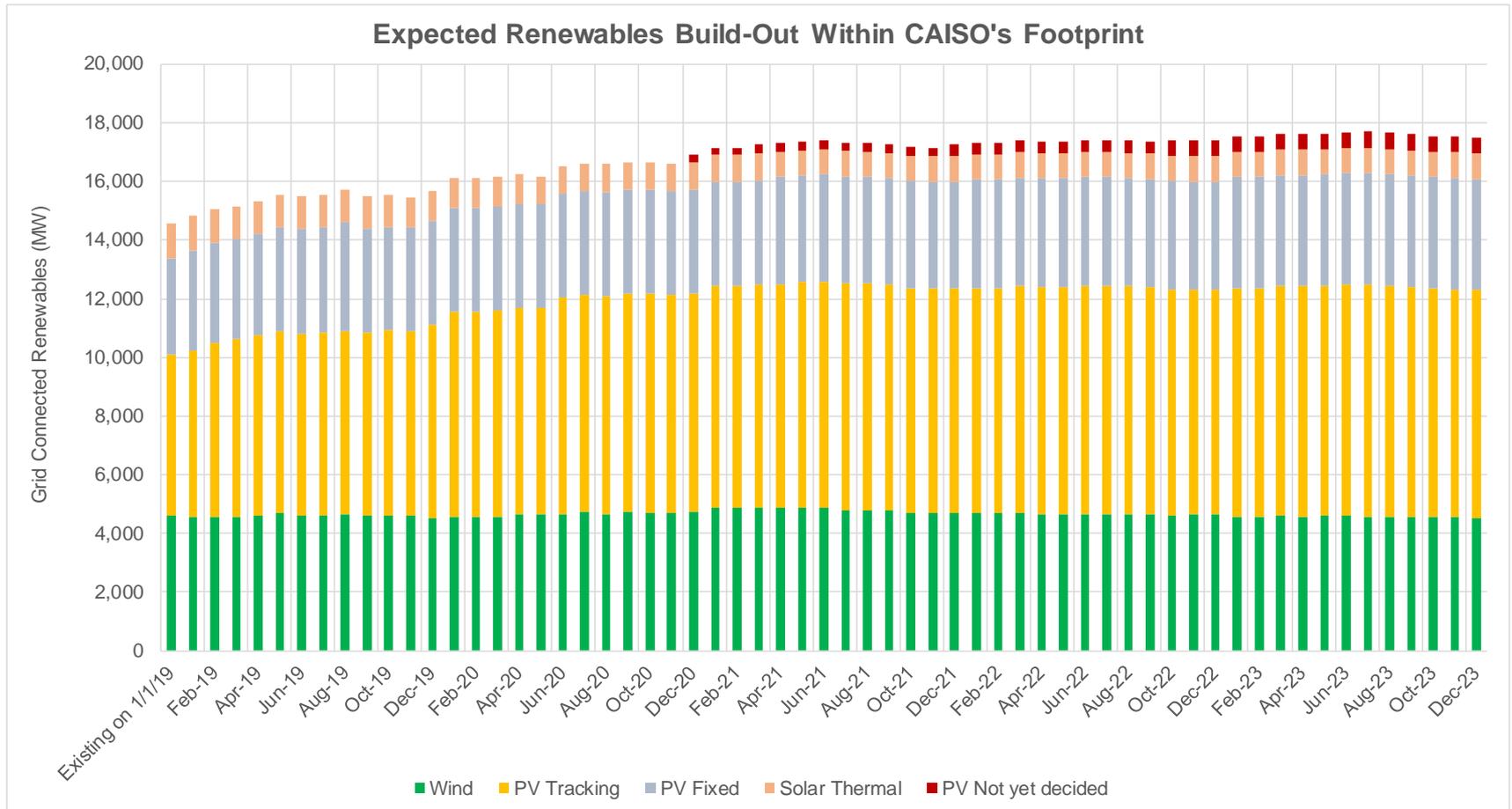
- CEC's IEPR demand forecast for 2021 through 2023
 - Behind-the-meter hourly solar PV production
 - Hourly AAEE
- LSE SCs updated renewable build-out for 2019 through 2023
- The data included:
 - Installed capacity by technology and expected operating date (e.g. Solar thermal, solar PV tracking, solar PV non-tracking, estimate of behind-the-meter solar PV, hybrid, co-located, etc.) for all variable energy resources under contract
 - Operational date or expected on-line date
 - Location of CREZ latitude and longitude coordinates
 - Resources located outside ISO's BAA indicated if the resources are firmed or non-firmed

CEC's (1-in-2) ISO coincident peak forecast

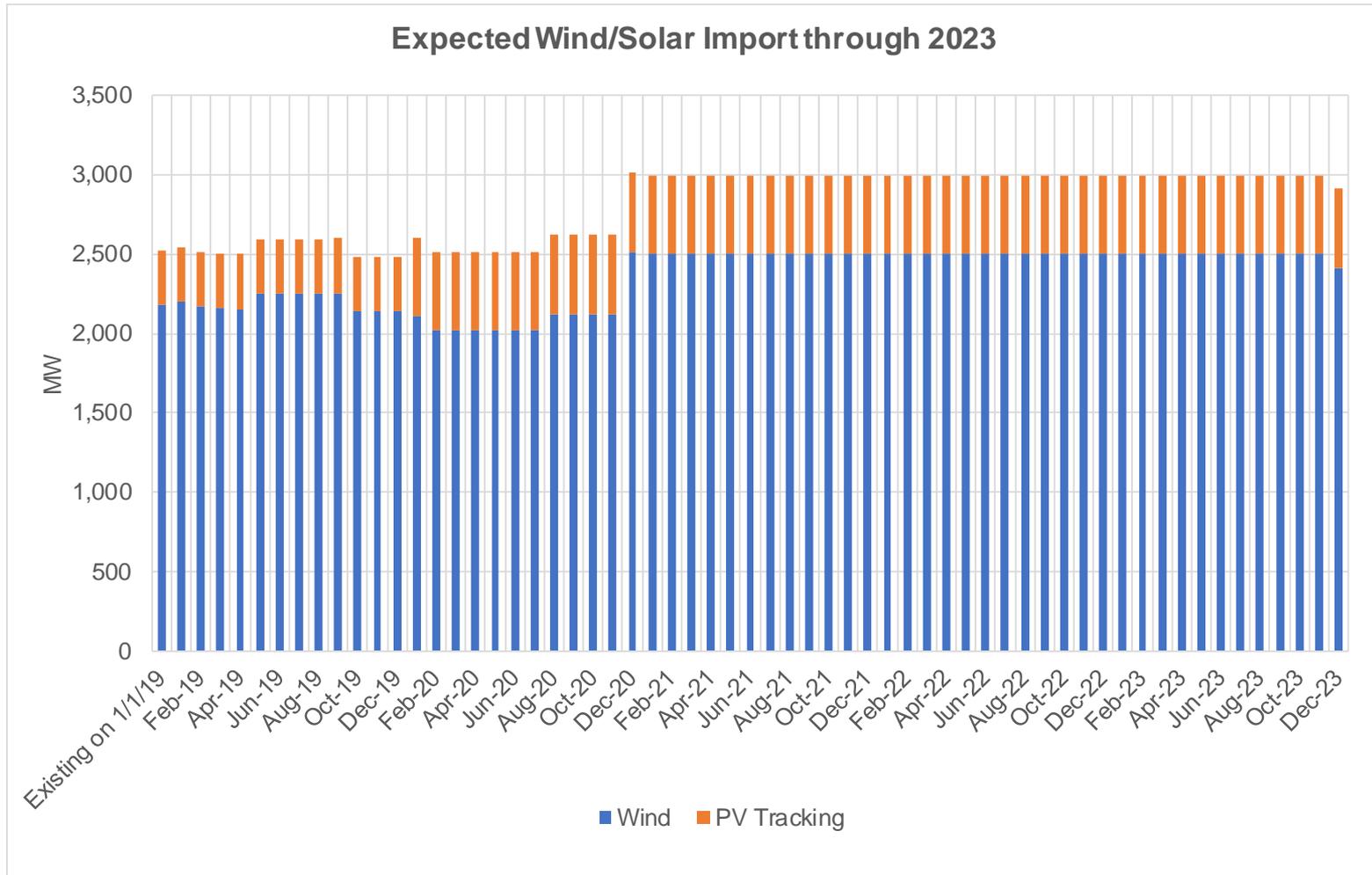
Maximum Monthly CEC's Forecast and Actual 2019 Maximum Demand



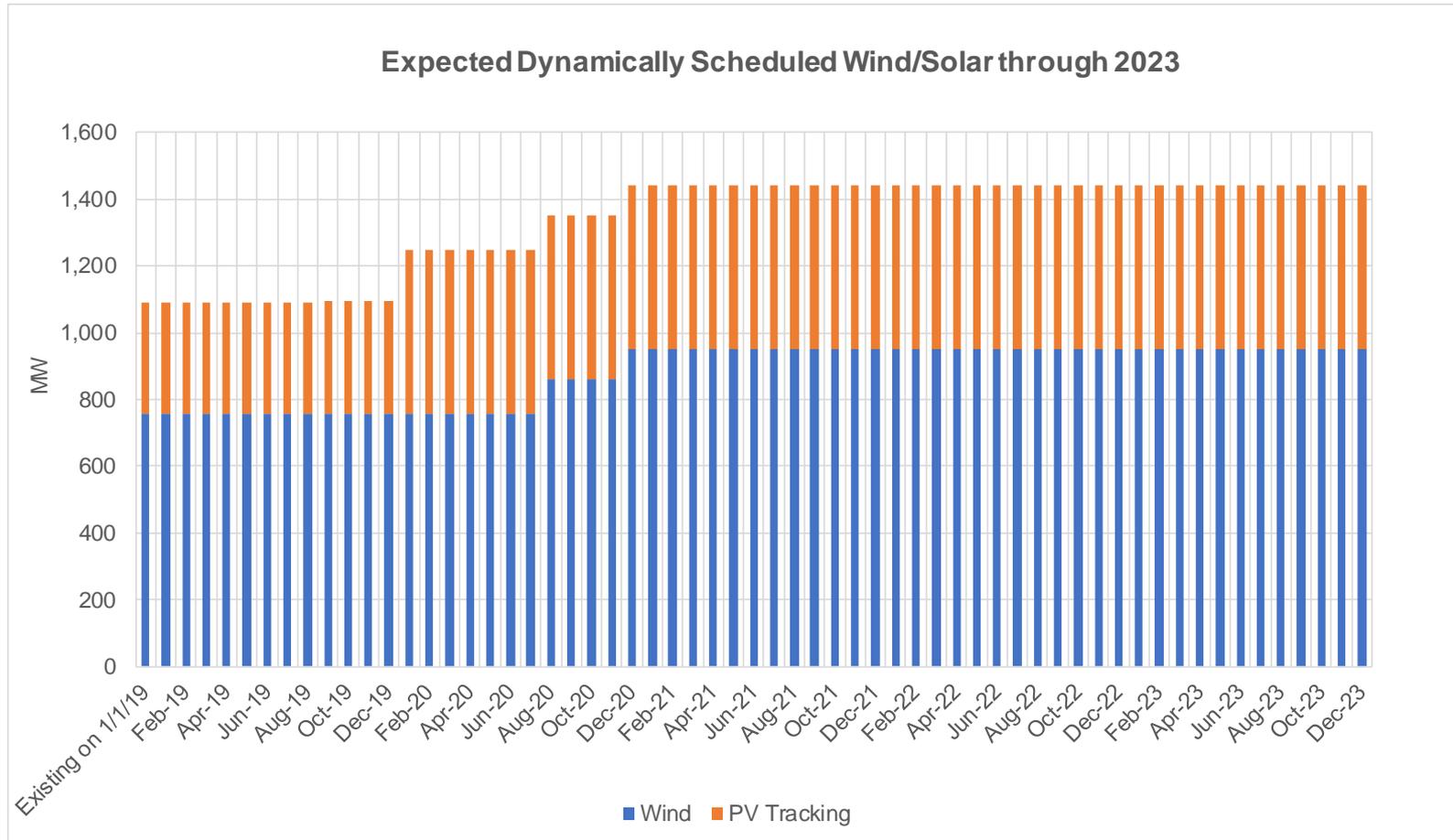
Expected renewable buildout through December 2023 based on LSE's submittal



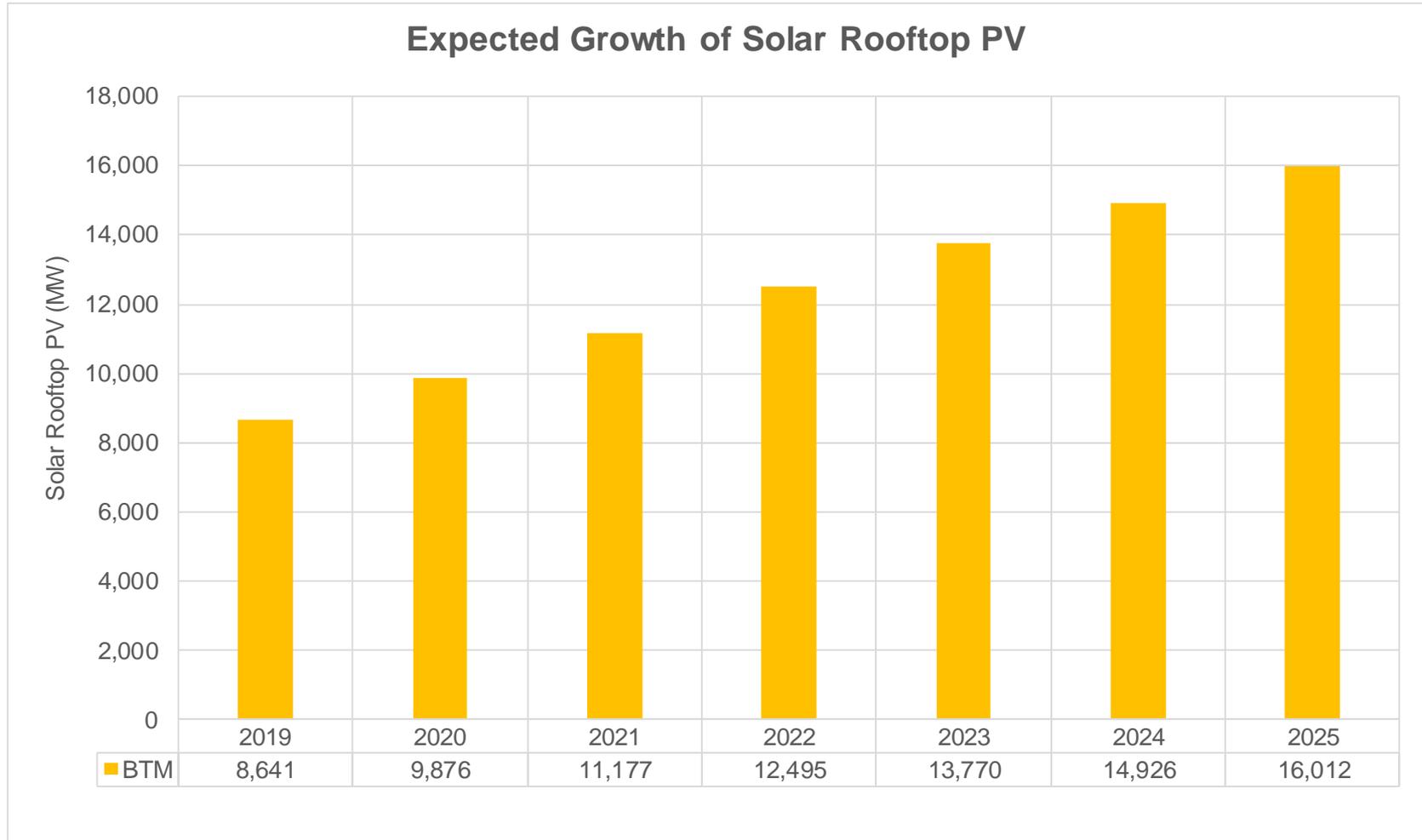
Expected wind/solar imports through December 2023 based on LSE's submittal



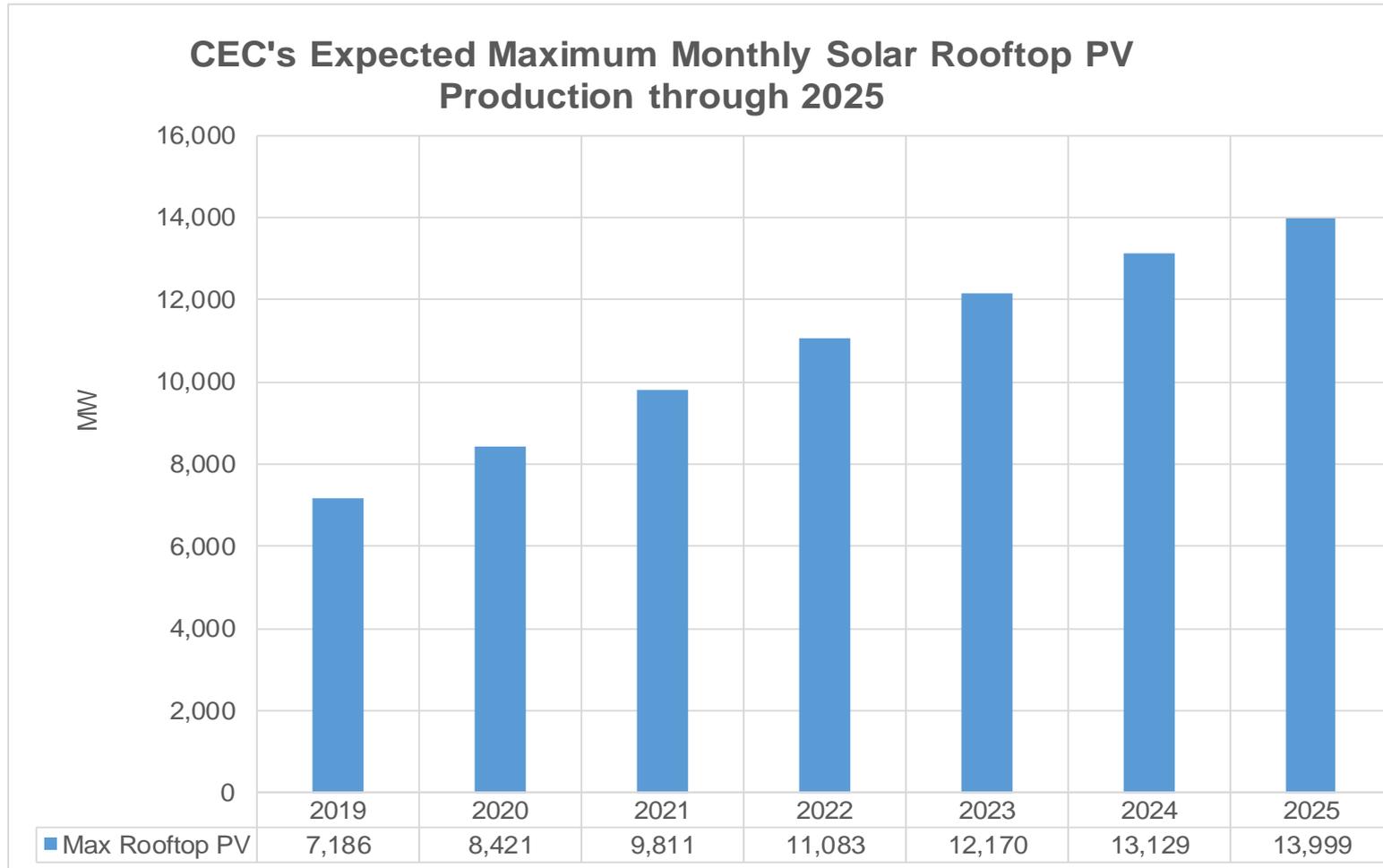
Expected dynamically wind/solar imports through December 2023 based on LSE's submittal



Expected BTM build-out through December 2025 based on LSE's submittal



CEC's forecast of the expected BTM maximum monthly production



Summary of LSEs submittal

<i>Resource Type</i>	<i>Existing VERs 2019 (MW)</i>	<i>Expected 2020 (MW)</i>	<i>Expected 2021 (MW)</i>
ISO Solar PV	10,151	11,244	11,690
ISO Solar Thermal	1,018	938	858
ISO Wind	4,513	4,730	4,712
<i>Total Variable Energy Resource Capacity in the 2021 Flexible Capacity Needs Assessment</i>	15,682	16,911	17,260
Non ISO Solar Resources that's Dynamically Scheduled into the ISO	347	500	500
Non ISO Wind Resources that's Dynamically Scheduled into the ISO	755	950	950
<i>Total Internal and dynamically scheduled VERs in 2021 Flexible Capacity Needs Assessment</i>	16,785	18,362	18,710
Incremental New Additions Each Year		1,577	348
Incremental behind-the-meter Solar PV Capacity submitted by LSEs**		1,235	1,317

The ISO flexibility capacity assessment is based on current LSE's RPS build-out data

- Uses the most current data available for renewable build-out obtained from all LSE SCs
- For new renewable installation scale 2019 actual production data based on the expected installed capacity in subsequent years
- Generate net-load profiles for 2021 through 2023
 - Generate load profiles for 2021 through 2023
 - Generate solar profiles for 2021 through 2023
 - Generate wind profiles for 2021 through 2023

The ISO used the CEC's 1-in-2 IEPR forecast to develop the load forecast

- CEC IEPR Load Forecast

- https://ww2.energy.ca.gov/2019_energy/policy/documents/Demand_2020-2030_revised_forecast_hourly.php

- Title of File: “CED 2019 Hourly Results - CAISO - MID-MID”

- CAISO will be using **Managed Net Load (column S)** within the spreadsheet

- **Managed Net Load (col S)** = **Baseline Net Load (col R)**

- AAEE (col Q)

- **Baseline Net Load (col R)** = **Baseline Consumption (col M)**

- BTM PV (col N)

- BTM Storage Res (col O)

- BTM Storage NonRes (col P)

- **Baseline Consumption (col M)** = **unadjusted consumption (col E)**

- + Pumping (col F)

- + climate change (col H)

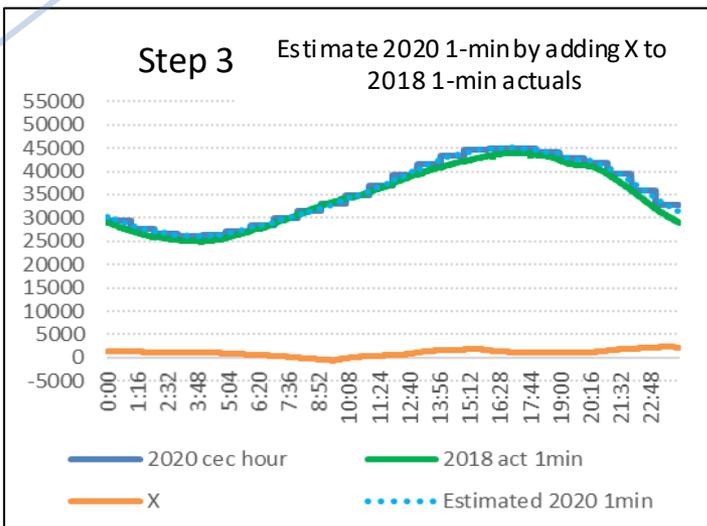
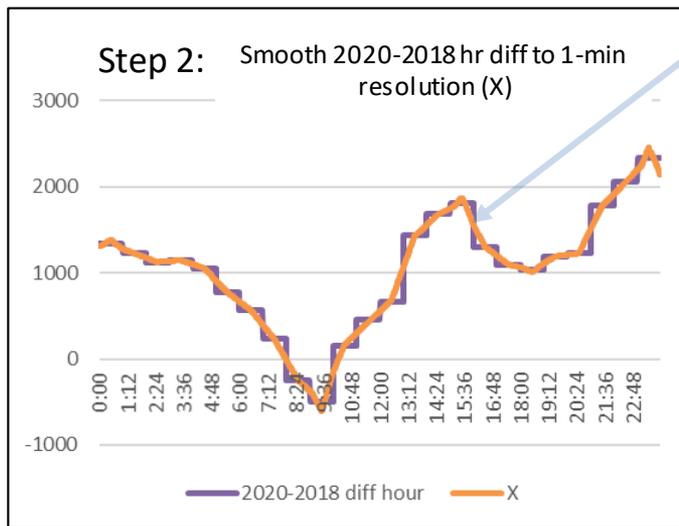
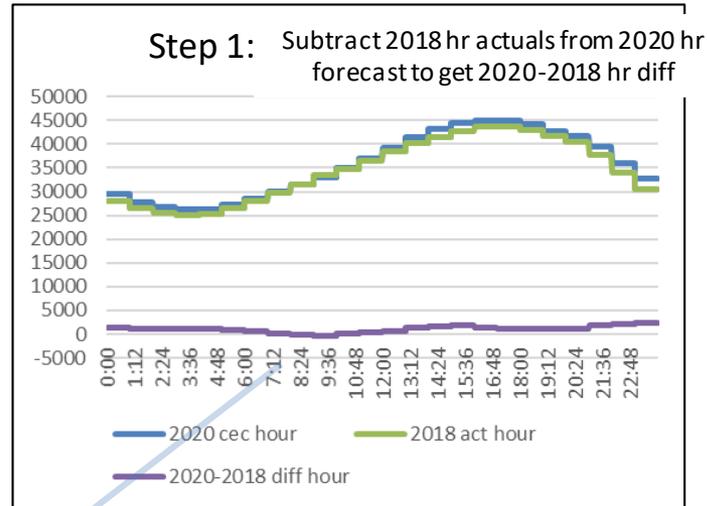
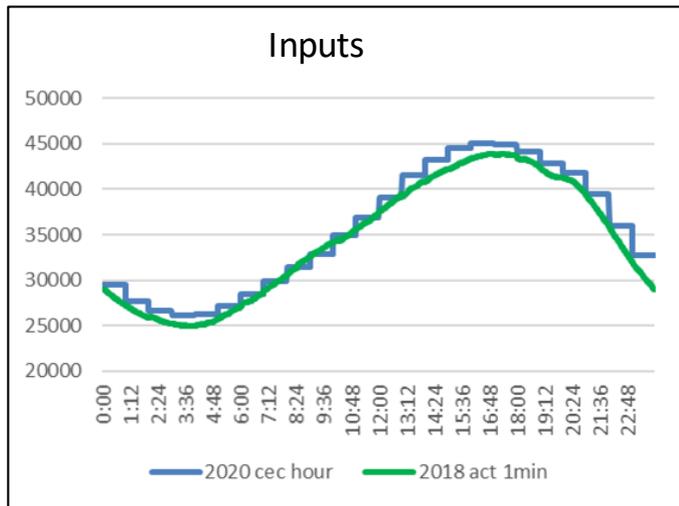
- + light duty EV (col I)

- + mdhd EV (col J)

- + TOU impacts (col K)

- + other adjustments (col L)

Smoothing 1-minute load profile



Hourly load forecast to 1-minute load forecast

- Used 2019 actual 1-minute load data to build 1-minute load profiles for subsequent years
- Scaled the hourly CEC load forecast value of each hour into 1-minute forecast data using a smoothing equation looking at the differences between the forecasted year and the 2019 1-minute actuals

2021 Load 1-Minute Forecast

$$- \text{2021 } L_{\text{CECfcst_1min}} = \text{2019 } L_{\text{Act_1min}} + X$$

- Where X = Interpolated 1min profile from the difference (2021 $L_{\text{CECfcst_hourly}}$ - 2019 $L_{\text{actual_hourly}}$)

2022 Load 1-Minute Forecast

$$- \text{2022 } L_{\text{CECfcst_1min}} = \text{2019 } L_{\text{Act_1min}} + X$$

- Where X = Interpolated 1min profile from the difference (2022 $L_{\text{CECfcst_hourly}}$ - 2019 $L_{\text{actual_hourly}}$)

Solar growth assumptions through 2023

- Used the actual solar 1-minute solar production data for 2019 to develop the 1-minute solar profiles for 2020 through 2023
- Scaled 1-minute solar data using the forecast monthly solar capacity for the new plants scheduled to be operational in 2019
- Repeated the above steps for 2021, 2022 & 2023

$$2020 S_{Mth_Sim_1min} = 2019 S_{Act_1min} * \frac{2020 S_{Mth\ Capacity}}{2019 S_{Mth\ Capacity}}$$

$$2021 S_{Mth_Sim_1min} = 2019 S_{Act_1min} * \frac{2021 S_{Mth\ Capacity}}{2019 S_{Mth\ Capacity}}$$

$$2022 S_{Mth_Sim_1min} = 2019 S_{Act_1min} * \frac{2022 S_{Mth\ Capacity}}{2019 S_{Mth\ Capacity}}$$

$$2023 S_{Mth_Sim_1min} = 2019 S_{Act_1min} * \frac{2023 S_{Mth\ Capacity}}{2019 S_{Mth\ Capacity}}$$

Net-load is a NERC accepted metric¹ for evaluating additional flexibility needs to accommodate VERs

- Net load is defined as load minus wind and solar power production
- Net load variability increases as more and more wind and solar resources are integrated into the system
- The monthly 3-hour flexible capacity need equates to the largest upward change in net load when looking across a rolling 3-hour evaluation window
- The ISO dispatches flexible resources (including renewable resources with energy bids) to meet net load

1 NERC Special Report
Flexibility Report Requirements and metrics for Variable Generation: Implications for System
Planning Studies, August 2010 . http://www.nerc.com/files/IVGTF_Task_1_4_Final.pdf

The flexible capacity methodology should provide the ISO with sufficient flexible capacity

Methodology

$$\text{Flexible Req}_{MTH_y} = \text{Max}[(3RR_{HR_x})_{MTH_y}] + \text{Max}(\text{MSSC}, 3.5\% * E(\text{PL}_{MTH_y})) + \epsilon$$

Where:

$\text{Max}[(3RR_{HR_x})_{MTH_y}]$ = Largest 3-hour contiguous ramp starting in hour x for month y

$E(\text{PL})$ = Expected peak load

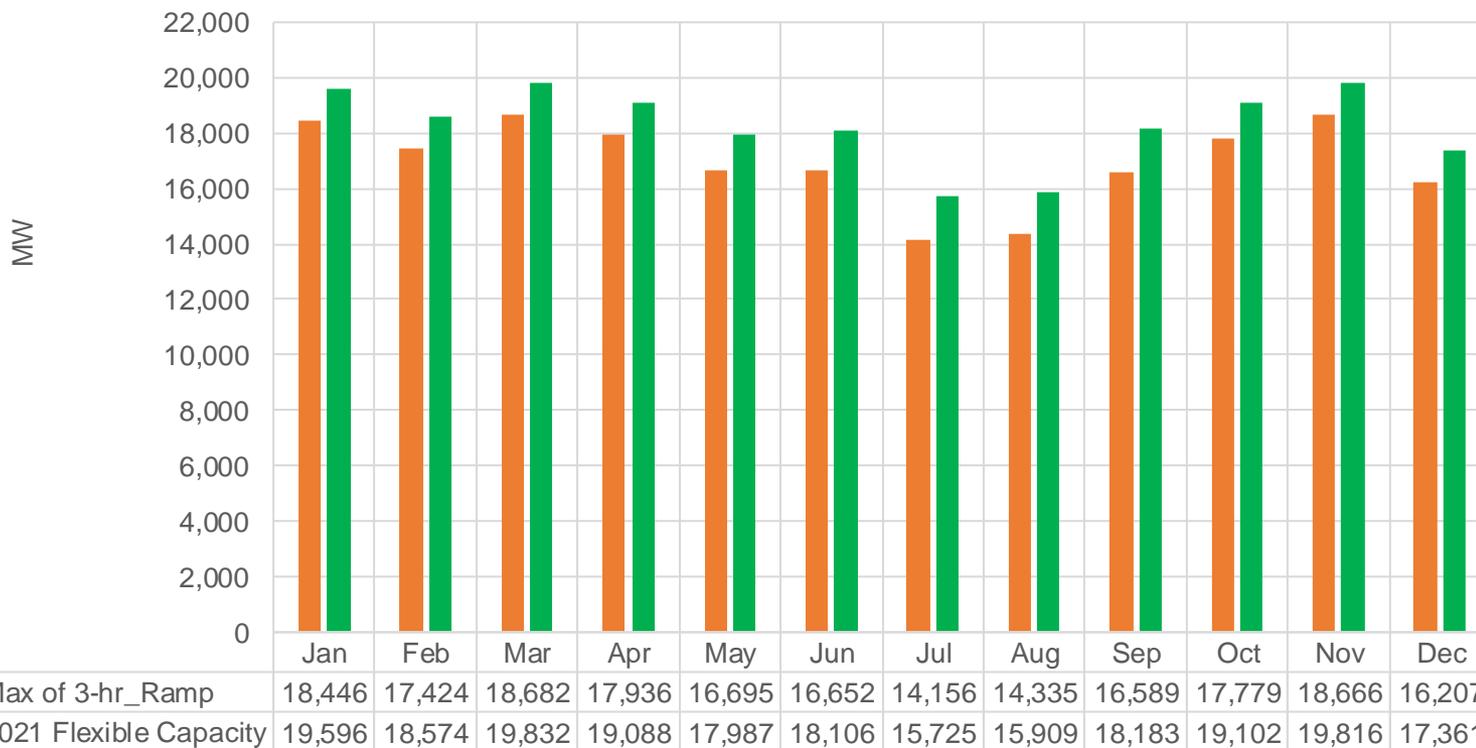
MTH_y = Month y

MSSC = Most Severe Single Contingency

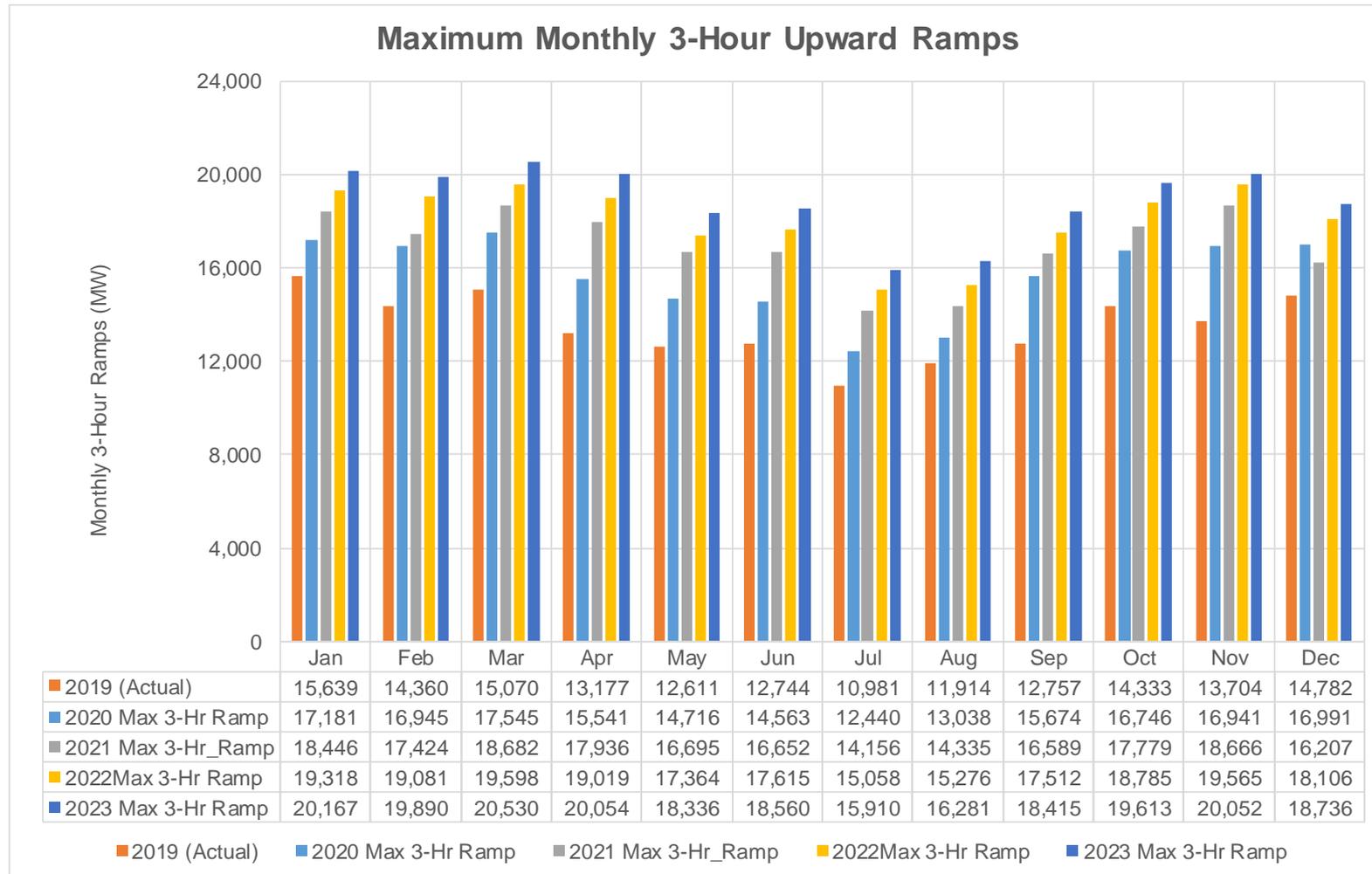
ϵ = Annually adjustable error term to account for load forecast errors and variability. ϵ is currently set at zero

Monthly 3-Hour upward ramps and total flexible capacity requirements

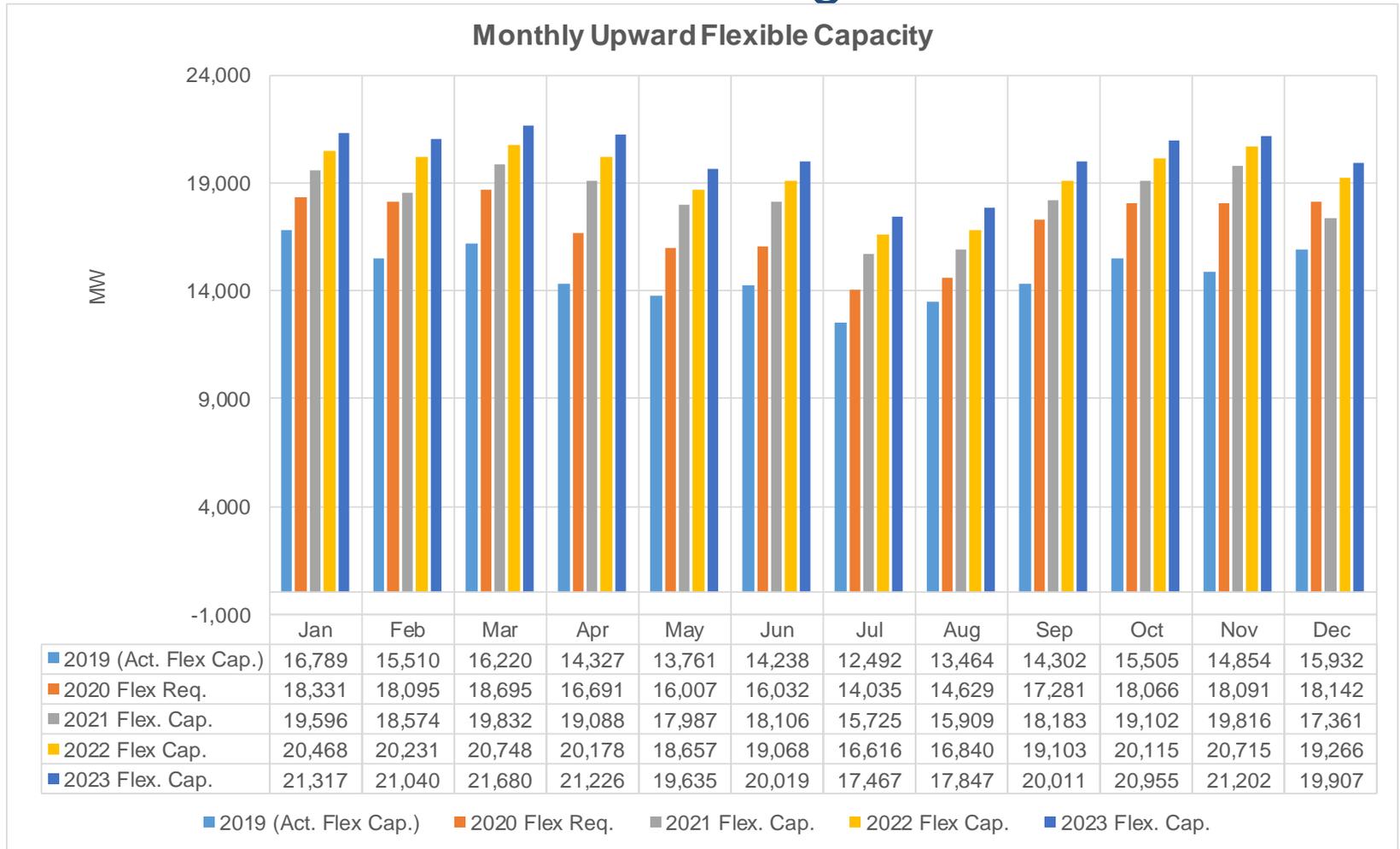
Monthly 3-Hour Upward Ramps and Flexible Capacity Requirements
2021



Maximum monthly 3-hour upward ramps using CEC's load forecast for 2020 through 2023

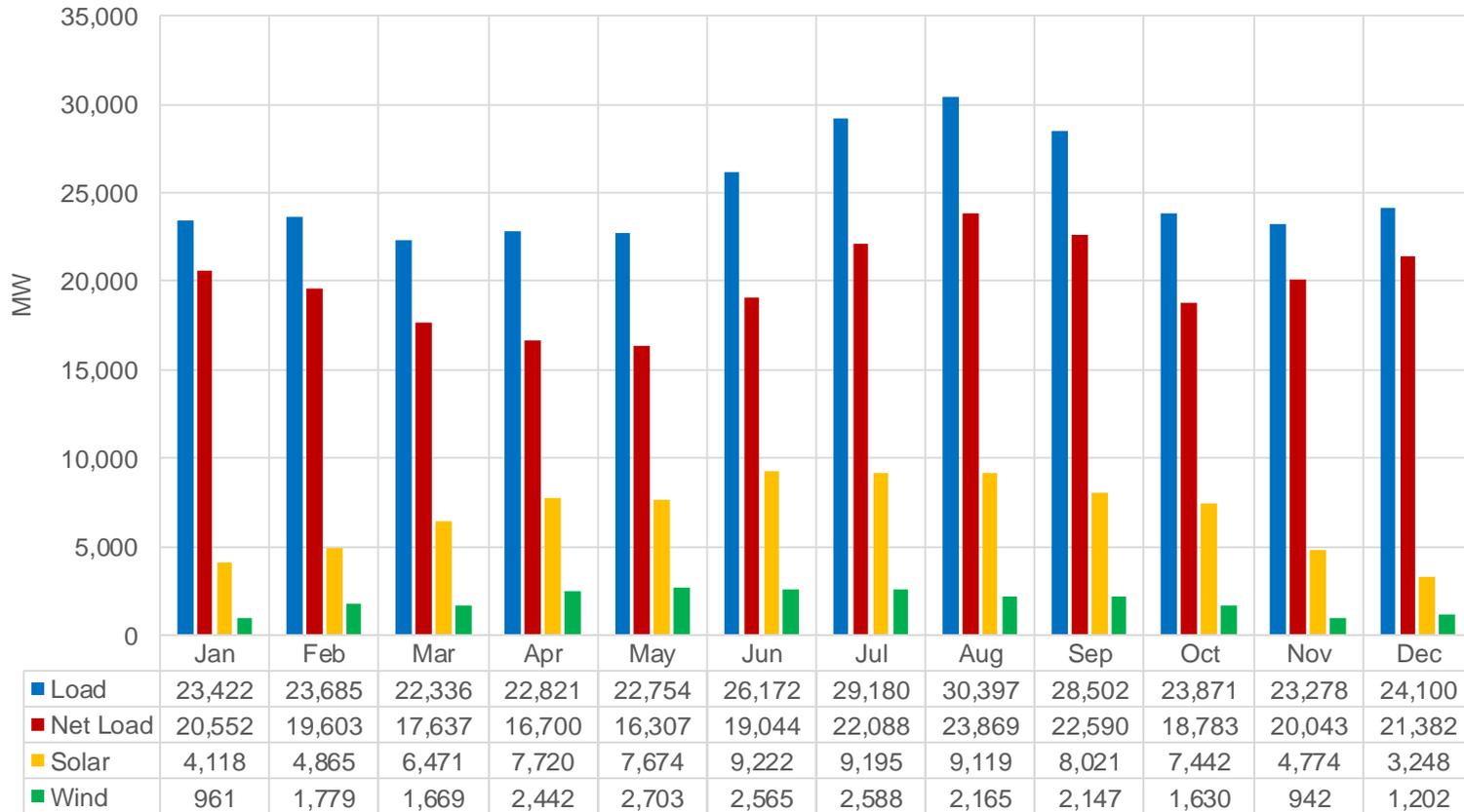


Maximum monthly total flexible capacity requirement using CEC's load forecast for 2020 through 2023



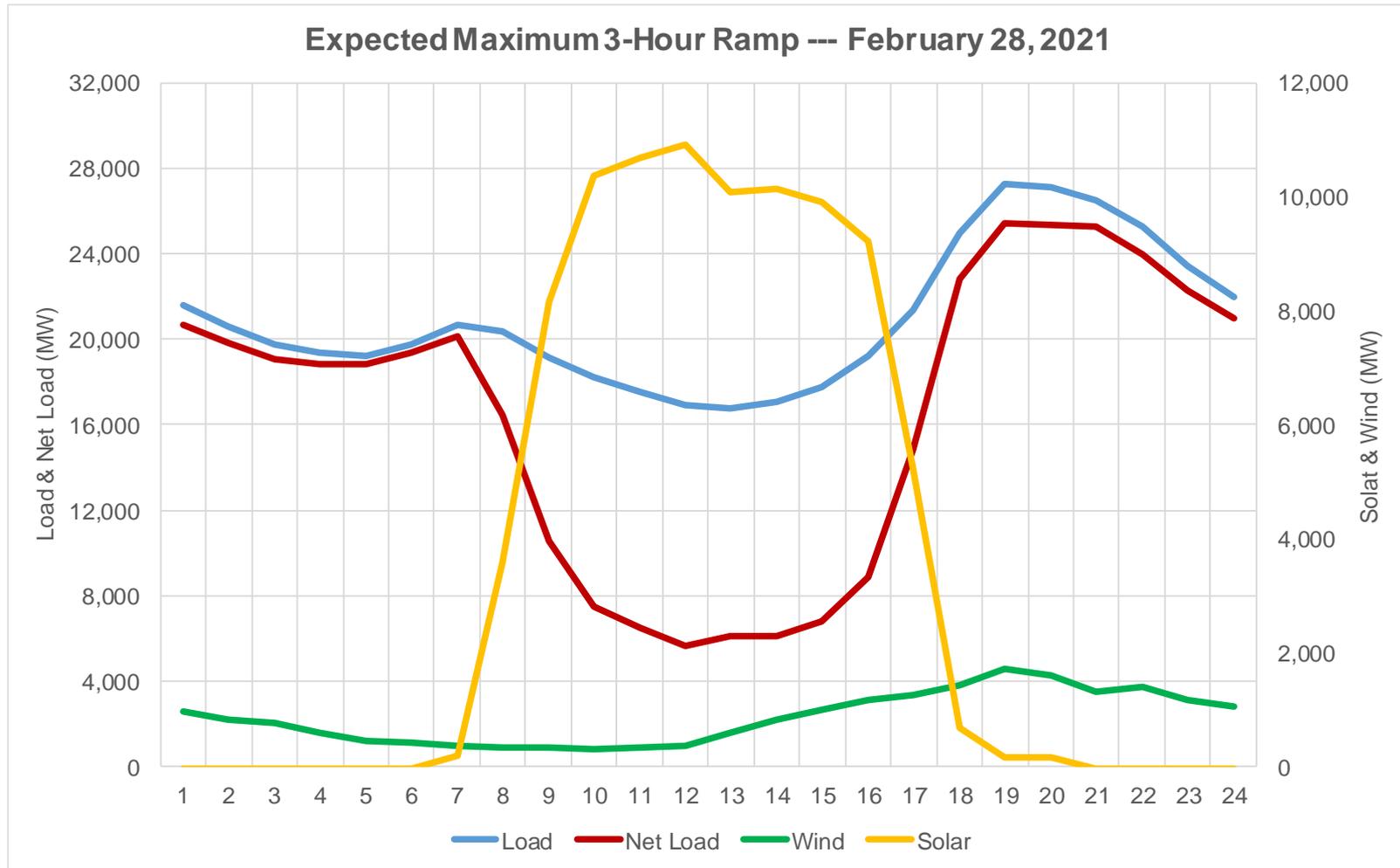
Average actual monthly load, net load, wind and solar for 2019

Monthly Average Load, Net-Load, Wind & Solar for 2019

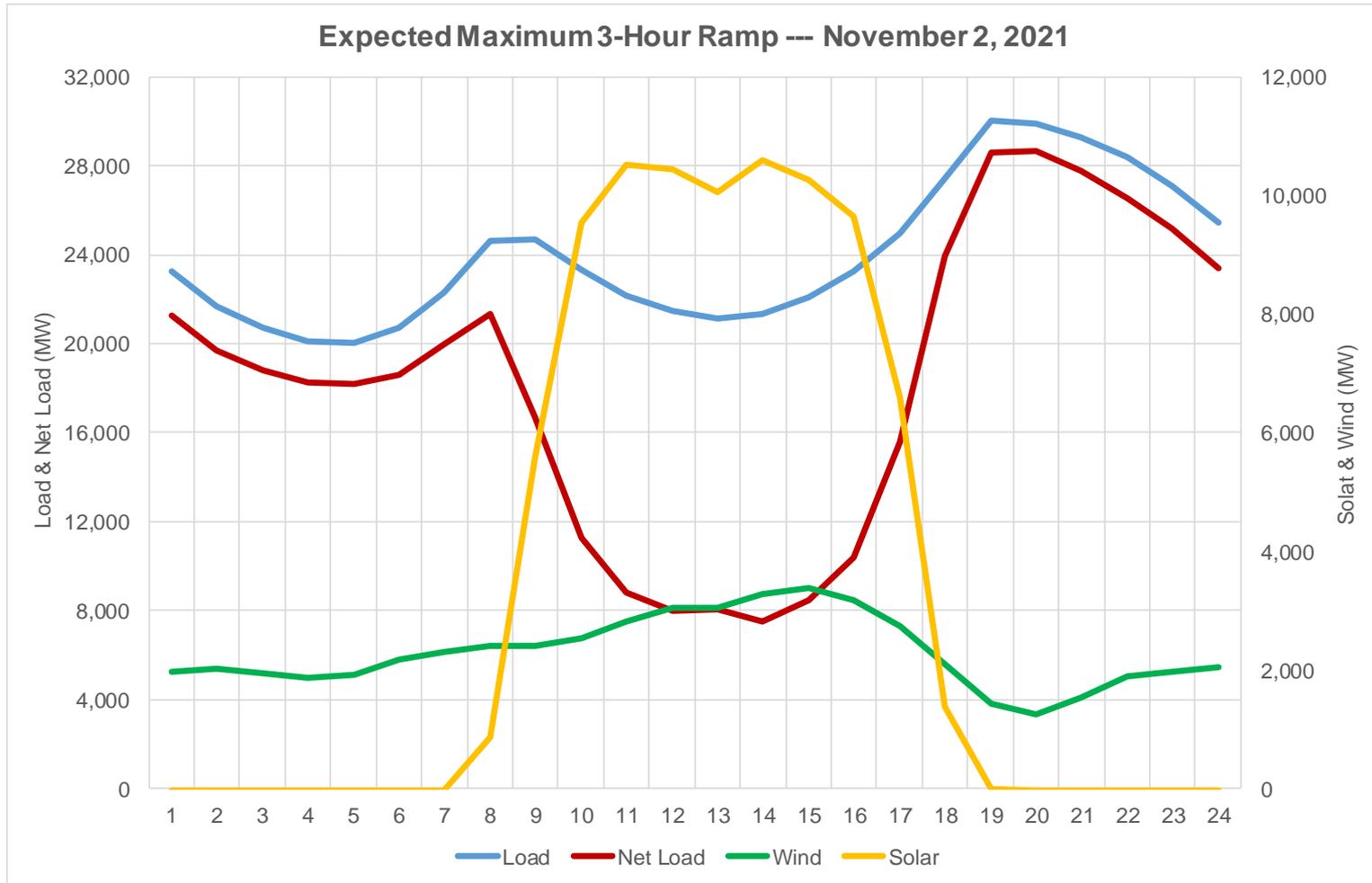


■ Load ■ Net Load ■ Solar ■ Wind

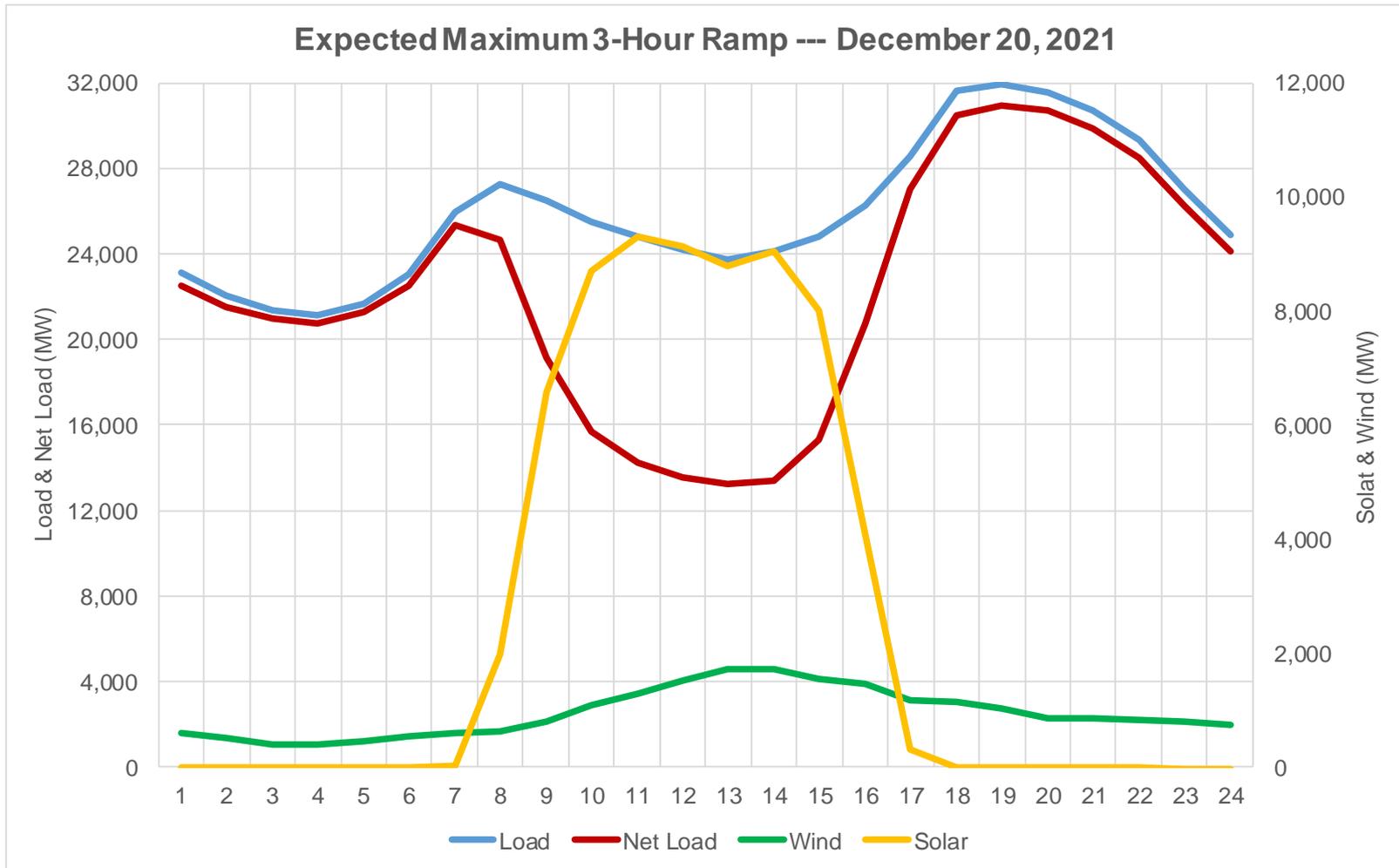
The assessment shows February 28, 2021 as having the expected maximum 3-Hour ramp



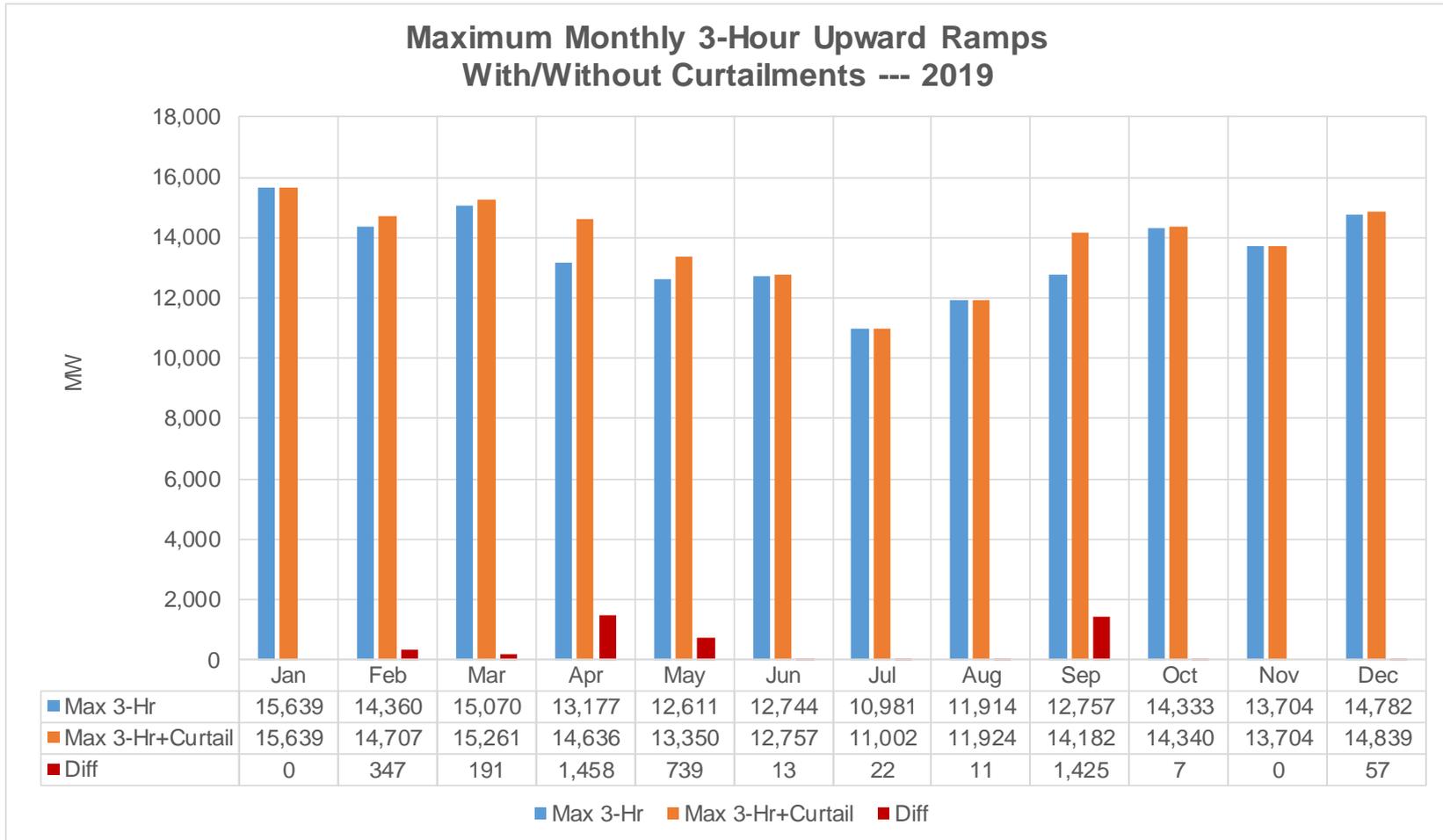
The assessment shows November 2, 2021 as having the expected maximum 3-Hour ramp



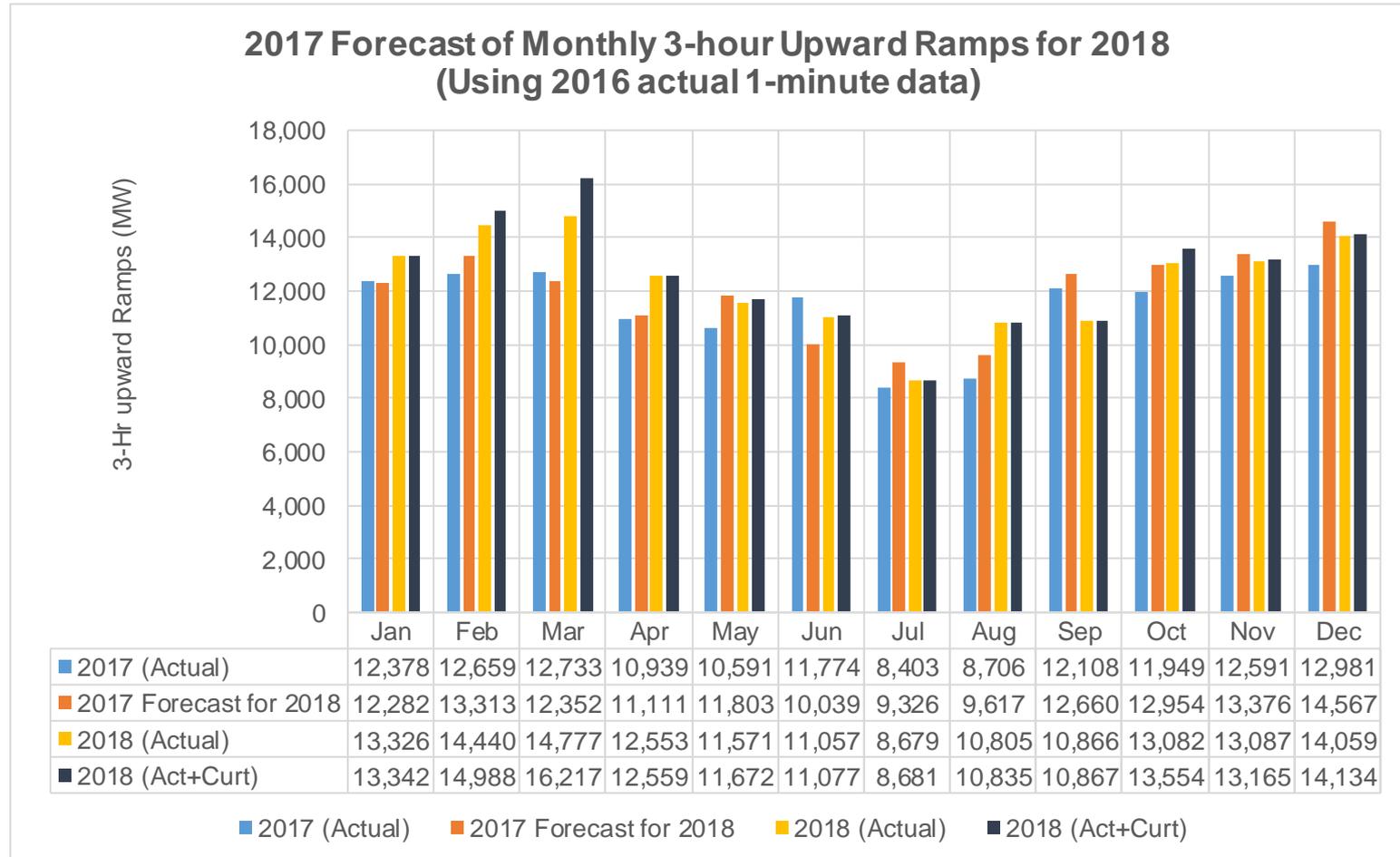
The assessment shows December 20, 2021 as having the expected maximum 3-Hour ramp



Maximum monthly 3-hour upward ramps with and without curtailments in 2019

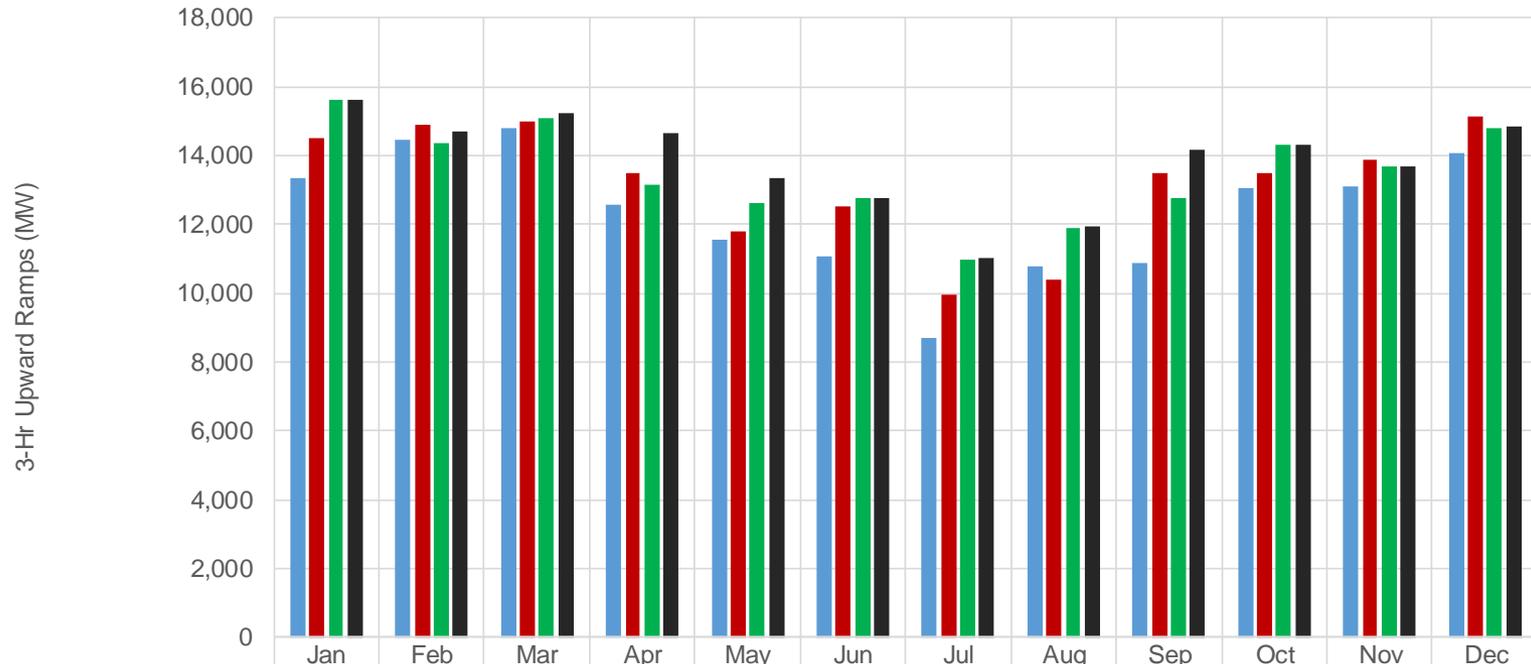


2017 forecast of maximum monthly 2018 upward 3-hour ramps using 2016 actual 1-minute data



2018 forecast of maximum monthly 2019 upward 3-hour ramps using 2017 actual 1-minute data

2018 Forecast of Monthly 3-hour Upward Ramps for 2019
(Using 2018 actual 1-minute data)

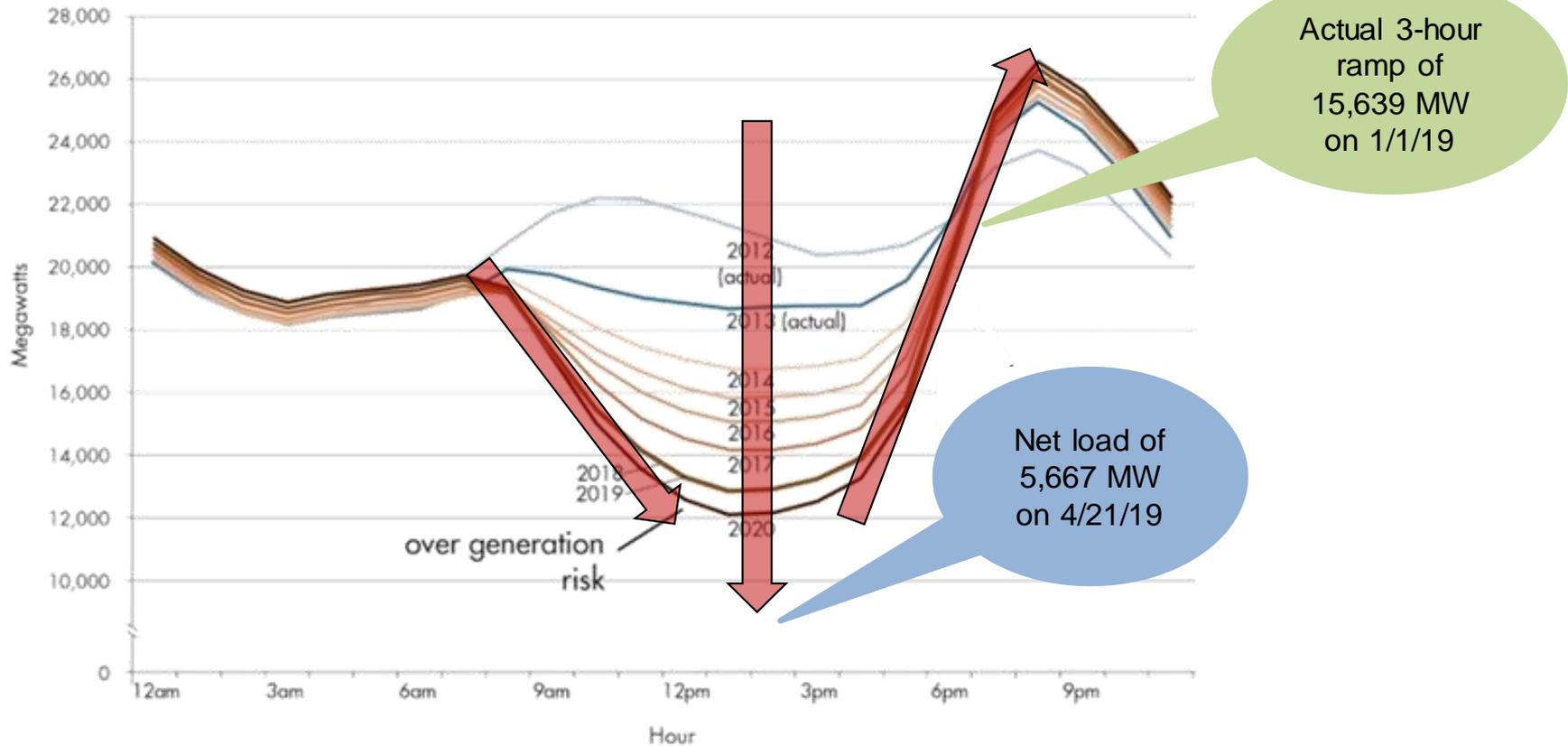


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
■ 2018 (Actual)	13,326	14,440	14,777	12,553	11,571	11,057	8,679	10,805	10,866	13,082	13,087	14,059
■ 2018 Forecast for 2019	14,506	14,889	14,971	13,509	11,808	12,524	9,967	10,393	13,511	13,510	13,898	15,129
■ 2019 (Actual)	15,639	14,360	15,070	13,177	12,611	12,744	10,981	11,914	12,757	14,333	13,704	14,782
■ 2019 (Act+Curt)	15,639	14,707	15,261	14,636	13,350	12,757	11,002	11,924	14,182	14,340	13,704	14,839

■ 2018 (Actual) ■ 2018 Forecast for 2019 ■ 2019 (Actual) ■ 2019 (Act+Curt)

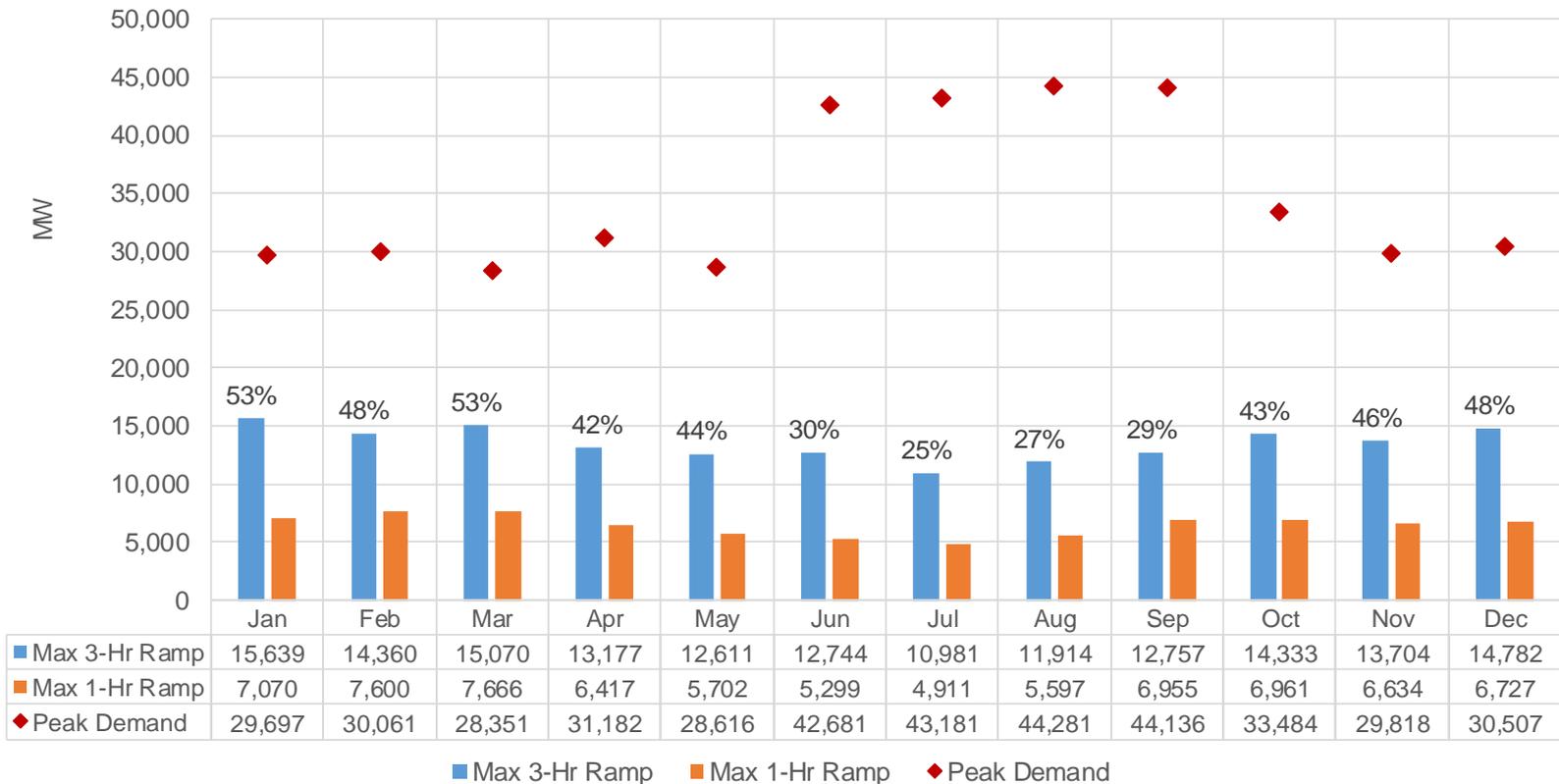
The actual net load and 3-hour ramps are about four years ahead of the ISO's original estimate primarily due to under forecasting rooftop solar PV installation

Typical Spring Day

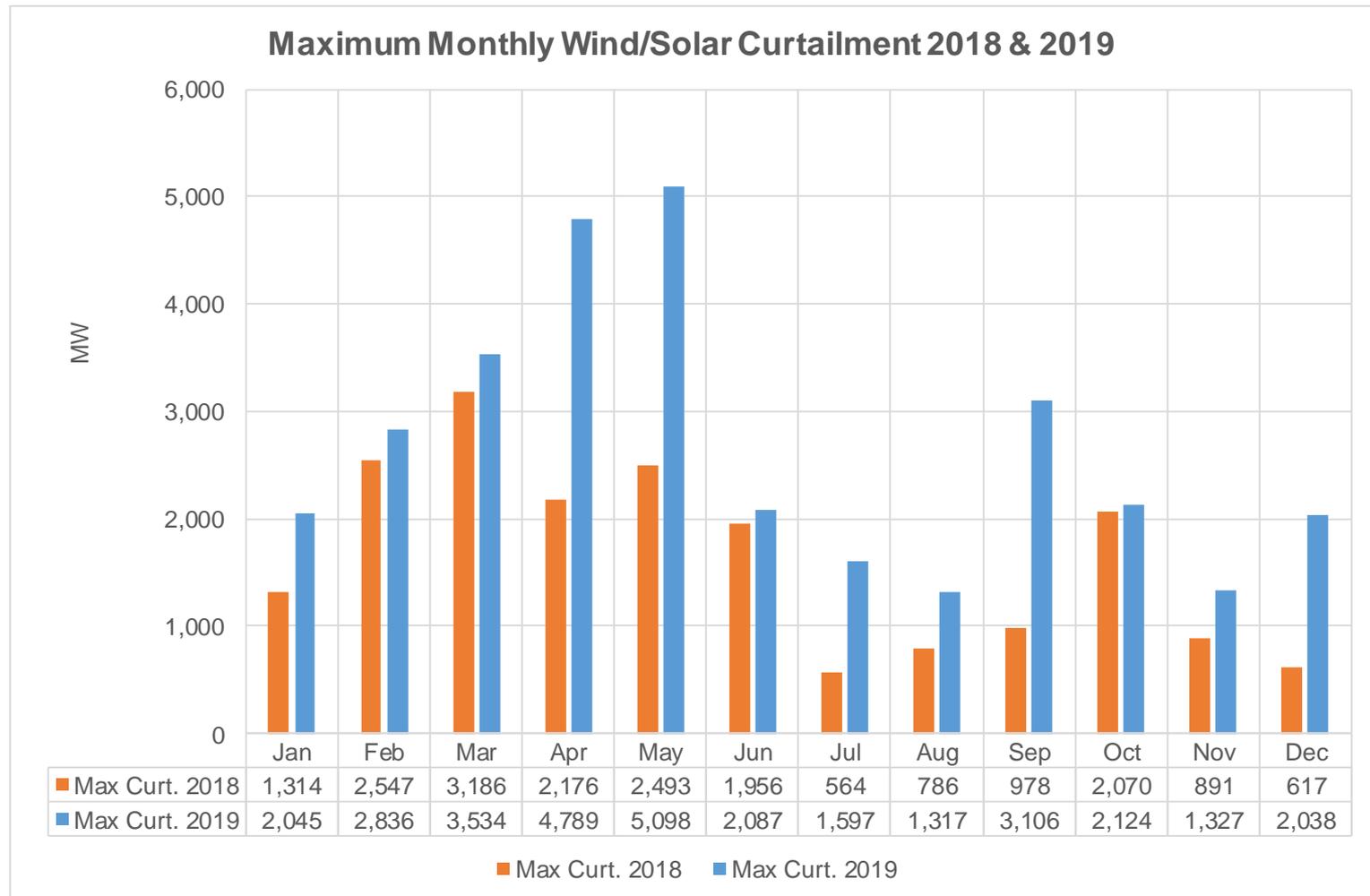


The 3-hour upward ramps can be more than 50% of the daily peak demand, which indicates the need for faster ramping resources

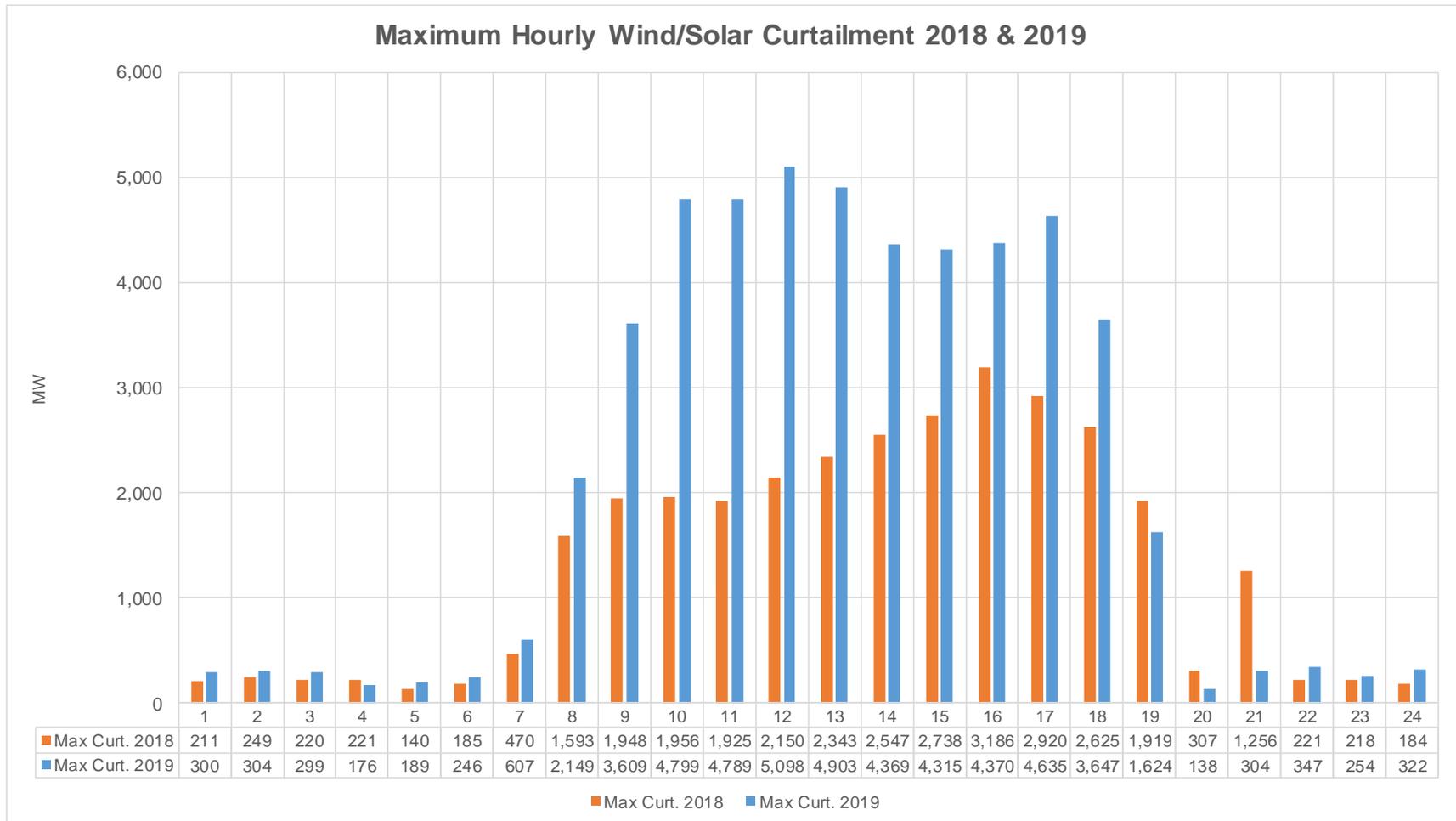
Comparison of Monthly 3-Hour and 1-Hour Upward Ramps to Peak Demand



Maximum monthly wind/solar curtailment by month in 2018 and 2019



Maximum hourly wind/solar curtailment by hour in 2018 and 2019





California ISO

Preliminary Results

Hong Zhou.

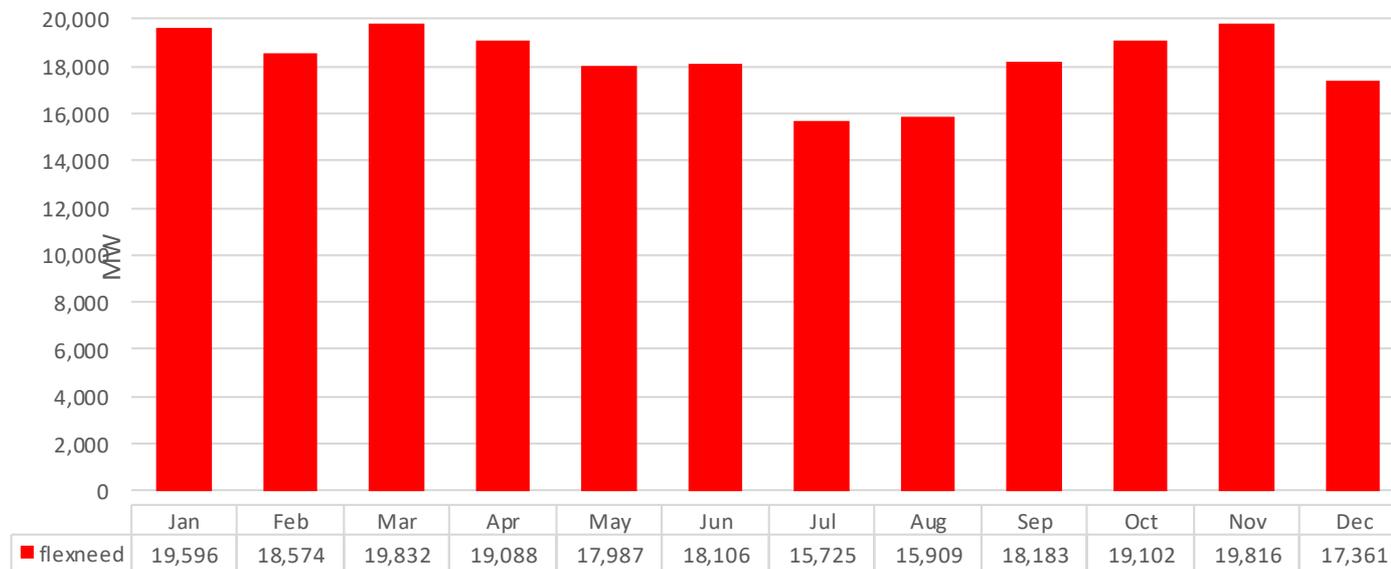
Lead Market Development Analyst, Short-Term Forecasting

Jessica Taheri

Energy Meteorologist, Short-Term Forecasting

Forecasted monthly 2021 ISO system-wide flexible capacity needs*

Forecasted monthly 2021 ISO system-wide flexible capacity needs*



$$*\text{Flexibility Requirement}_{\text{MTHy}} = \text{Max}[(3\text{RR}_{\text{HRx}})_{\text{MTHy}}] + \text{Max}(\text{MSSC}, 3.5\% * \text{E}(\text{PL}_{\text{MTHy}})) + \epsilon$$

Components of the flexible capacity needs

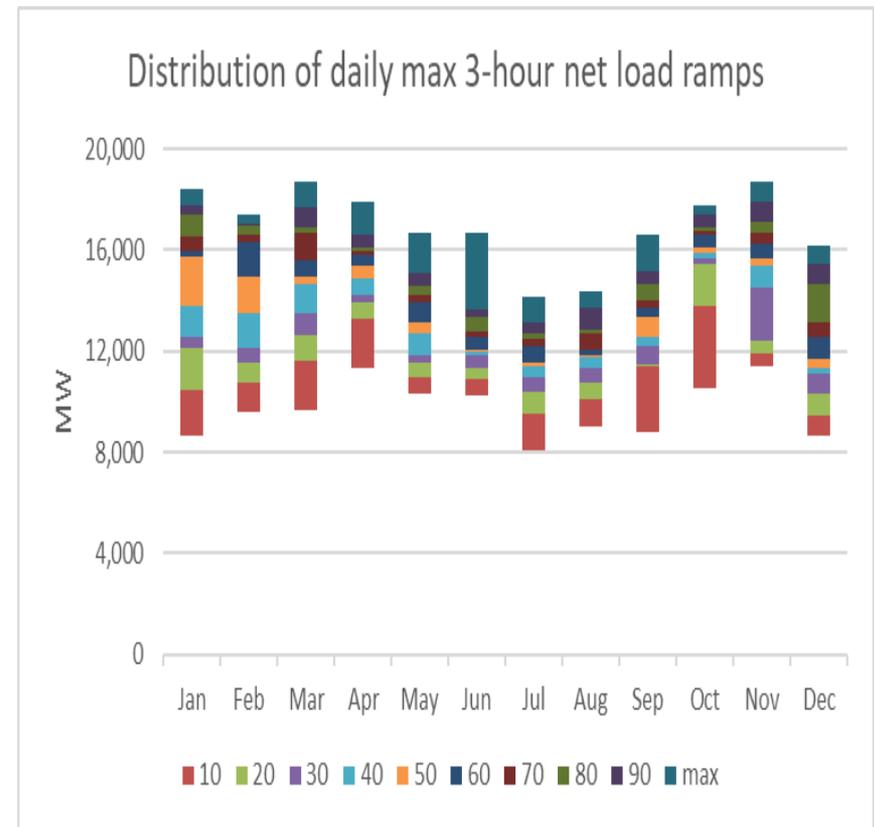
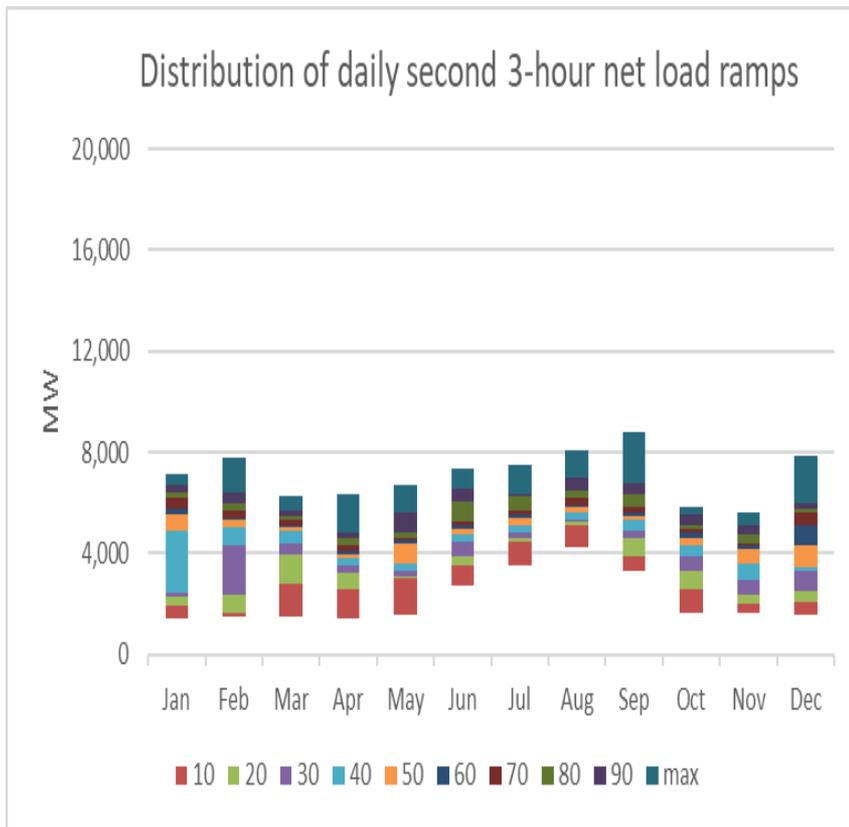
Month	Average of Load contribution 2021	Average of Wind contribution 2021	Average of Solar contribution 2021	Total percent 2021
January	46.61%	0.52%	-53.91%	100%
February	44.99%	2.68%	-57.69%	100%
March	40.13%	-0.82%	-59.05%	100%
April	36.79%	-0.22%	-62.99%	100%
May	34.47%	-3.02%	-62.50%	100%
June	32.10%	-2.98%	-64.92%	100%
July	21.34%	-2.73%	-75.93%	100%
August	23.98%	-1.10%	-74.92%	100%
September	29.98%	-1.07%	-68.96%	100%
October	34.01%	-1.49%	-64.50%	100%
November	38.40%	-8.90%	-52.71%	100%
December	41.13%	-3.18%	-55.68%	100%

$$\Delta \text{Load} - \Delta \text{Wind} - \Delta \text{Solar} = 100$$

Flexible capacity categories allow a wide variety of resources to provide flexible capacity

- Category 1 (Base Flexibility): Operational needs determined by the magnitude of the largest 3-hour secondary net load ramp
- Category 2 (Peak Flexibility): Operational need determined by the difference between 95 percent of the maximum 3-hour net load ramp and the largest 3-hour secondary net load ramp
- Category 3 (Super-Peak Flexibility): Operational need determined by five percent of the maximum 3-hour net load ramp of the month

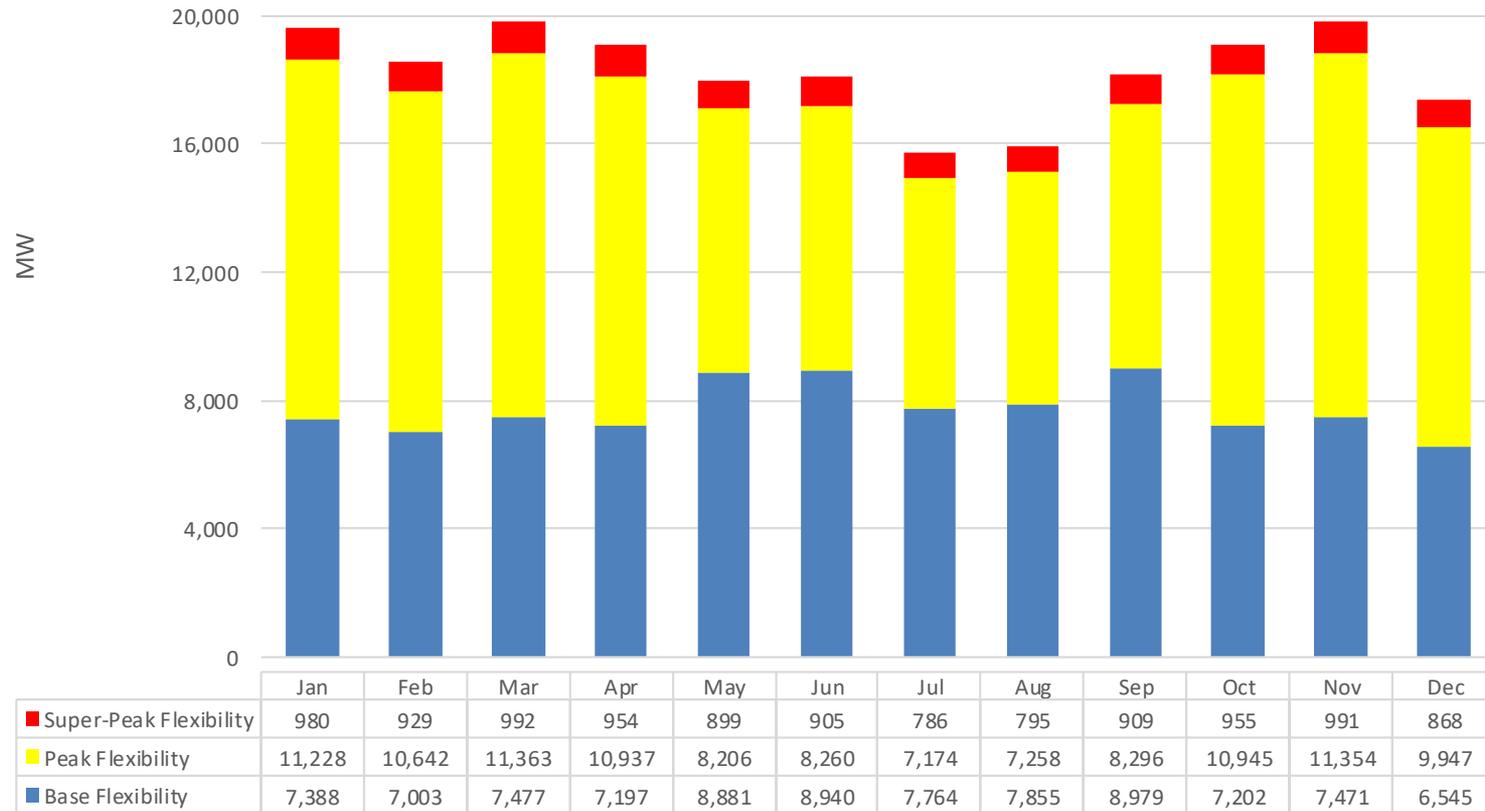
The 2021 forecasted distribution range of daily maximum and secondary 3-hour net load ramps



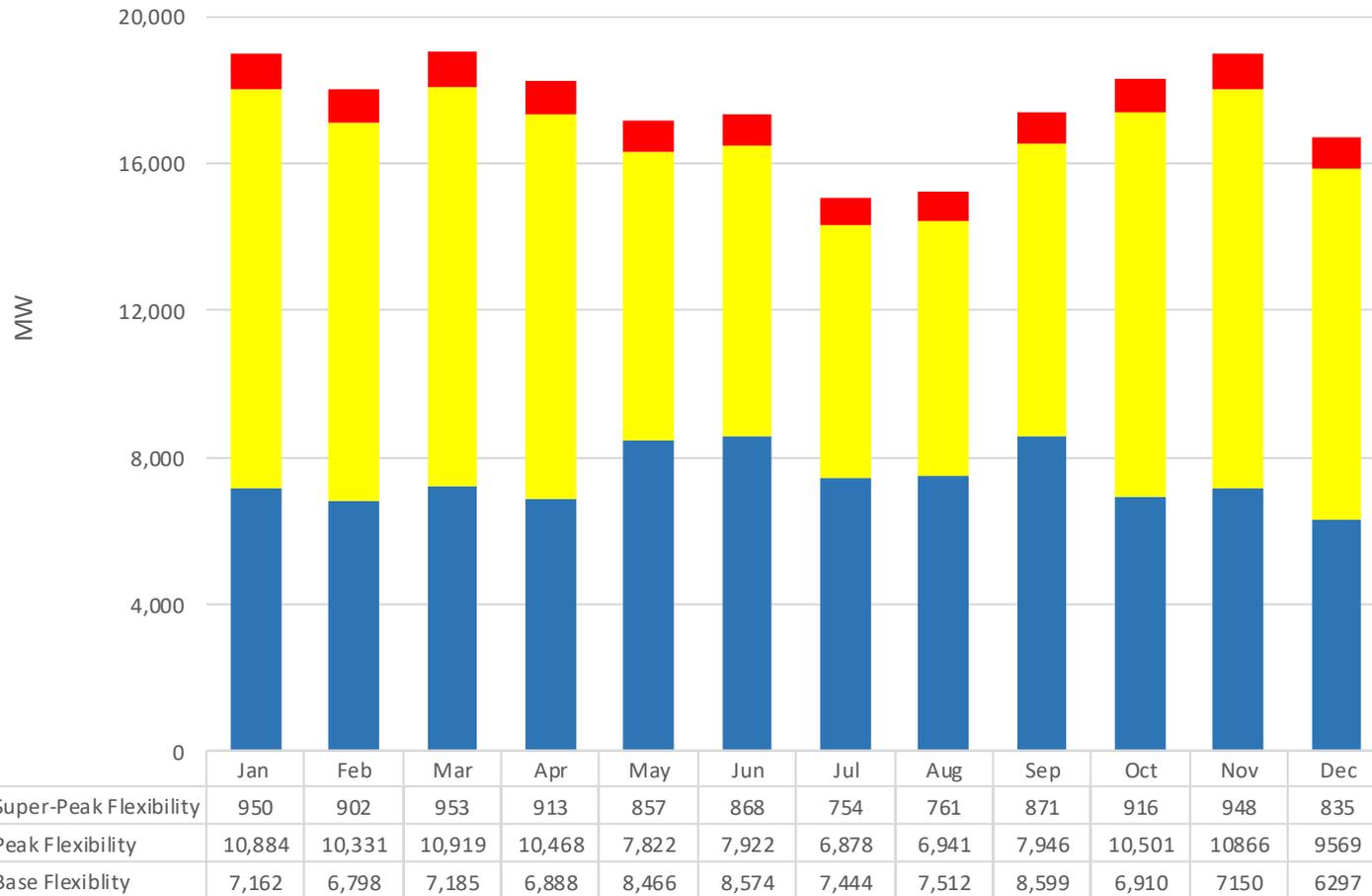
Seasonal breakout of flexible capacity needs

Month	Actual Contributions			Seasonal Contribution		
	Unadjusted			Adjusted		
	Base Flexibility	Peak Flexibility	Super-Peak Flexibility	Base Flexibility	Peak Flexibility	Super-Peak Flexibility
January	39%	56%	5%	38%	57%	5%
February	45%	50%	5%	38%	57%	5%
March	33%	62%	5%	38%	57%	5%
April	35%	60%	5%	38%	57%	5%
May	40%	55%	5%	49%	46%	5%
June	44%	51%	5%	49%	46%	5%
July	53%	42%	5%	49%	46%	5%
August	56%	39%	5%	49%	46%	5%
September	53%	42%	5%	49%	46%	5%
October	33%	62%	5%	38%	57%	5%
November	30%	65%	5%	38%	57%	5%
December	49%	46%	5%	38%	57%	5%

Total flexible capacity needed in each category – seasonally adjusted



CPUC jurisdictional flexible capacity allocation - by flexible capacity category



Start time of 3-Hour net load ramp to evaluate seasonal must offer obligations

Month	Three-Hour Net Load Ramp Start Hour (Hour Ending)					
	13:00	14:00	15:00	16:00	17:00	18:00
January		1	30			
February		1	16	11		
March			1	14	16	
April				4	25	1
May				6	24	1
June				3	25	2
July				6	25	
August				7	24	
September	1		4	20	5	
October			4	27		
November		3	21	6		
December		1	30			

Seasonal must-offer obligations for peak and super-peak flexible capacity

- Recommended Must-offer obligation hours in Hour Ending

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HE15-HE19	v	v									v	v
HE16-HE20									v	v		
HE17-HE21			v	v	v	v	v	v				

Review of preliminary assessment results

- Flexible Capacity need is largest in the off-peak months
 - Flexible capacity makes up a greater percentage of resource adequacy needs during the off-peak months
 - Increase almost exclusively caused by 3-hour ramp, not increase in peak load
- Growth of behind-the-meter solar PV and utility scale PV contributes to the larger flexible capacity requirements
- Using the ISO flexible capacity contribution calculation majority of 3-hour net load ramps are attributable to CPUC jurisdictional LSEs
- The Peak and Super-Peak MOO hours have changed from the 2020 study (information below is in Hour Ending)
 - November through February: HE 15- HE 19 (2:00 p.m. to 7:00 p.m.)
 - March through August: HE 17 – HE 21 (4:00 p.m. to 9:00 p.m.)
 - September through October: HE 16- HE 20 (3:00 p.m. to 8:00 p.m.)

AVAILABILITY ASSESSMENT HOURS

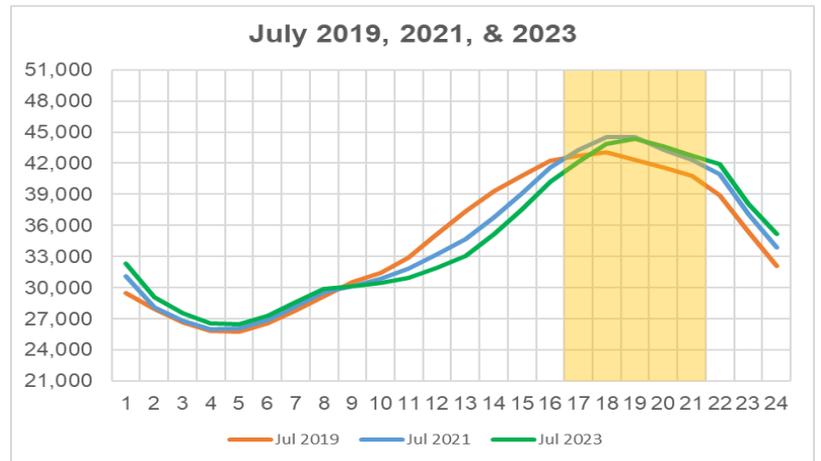
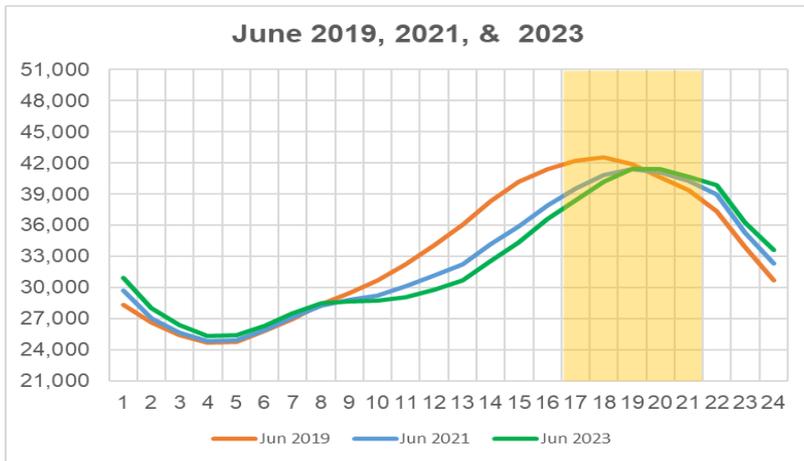
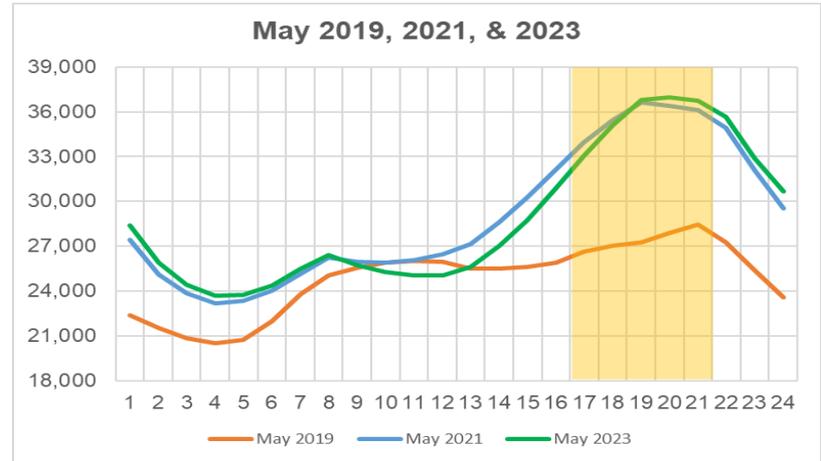
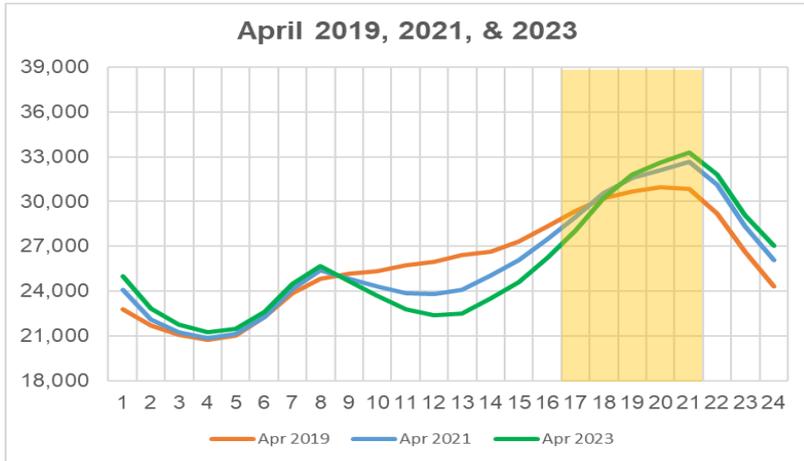
Availability assessment hours: Background and purpose

- Concept originally developed as part of the ISO standard capacity product (SCP)
 - Maintained as part of Reliability Service Initiative – Phase 1 (i.e. RA Availability Incentive Mechanism, or RAAIM)
- Determine the hours of greatest need to maximize the effectiveness of the availability incentive structure
 - Resources are rewarded for availability during hours of greatest need
 - Hours determined annually by ISO and published in the BPM
 - See section 40.9 of the ISO tariff

Methodology overview of system/local availability assessment hours

- Used CEC IEPR data described in previous slides to obtain:
 - Hourly Average Load
 - By Hour
 - By Month
 - Years 2019-2023
- Calculated:
 - Top 5% of Load Hours within each month using an hourly load distribution
 - Years 2021 - 2023

Expected load shape evolution: Summer season



May 2019 Climatology

County Maximum Ranks May 2019 Period: 1895–2019

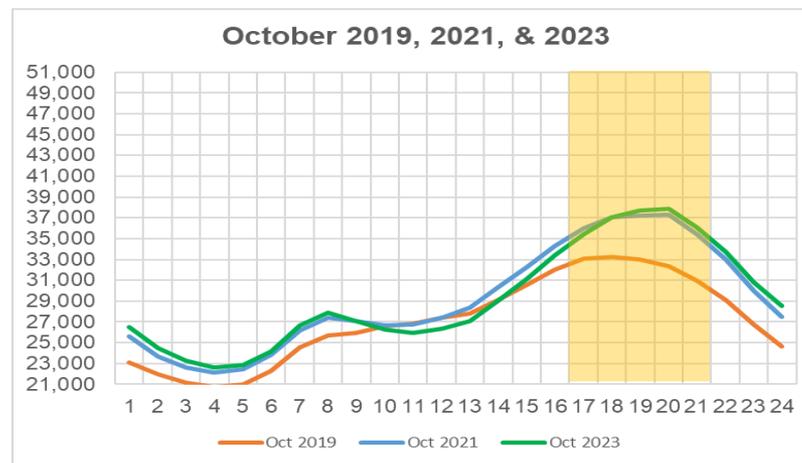
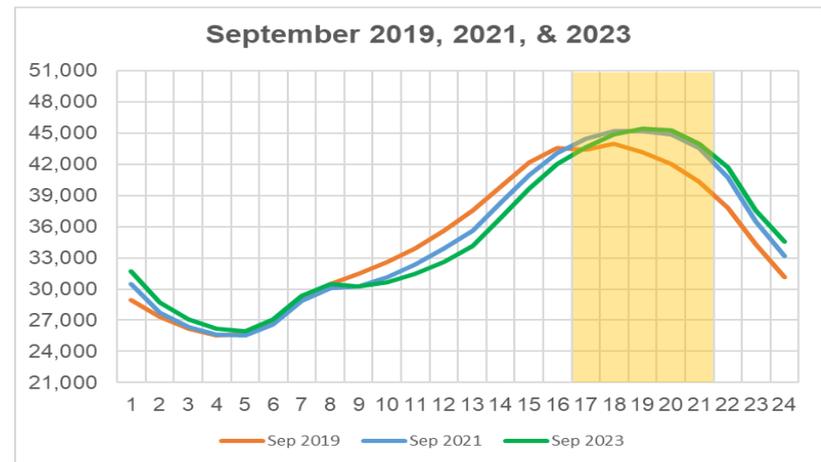
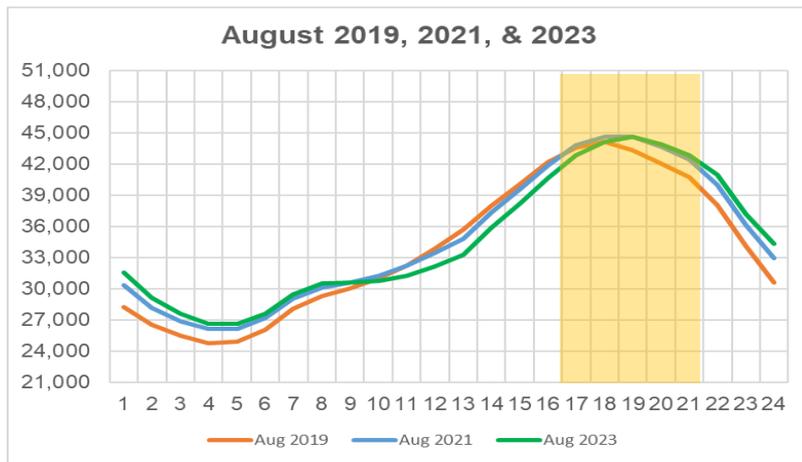
Temperature



Precipitation



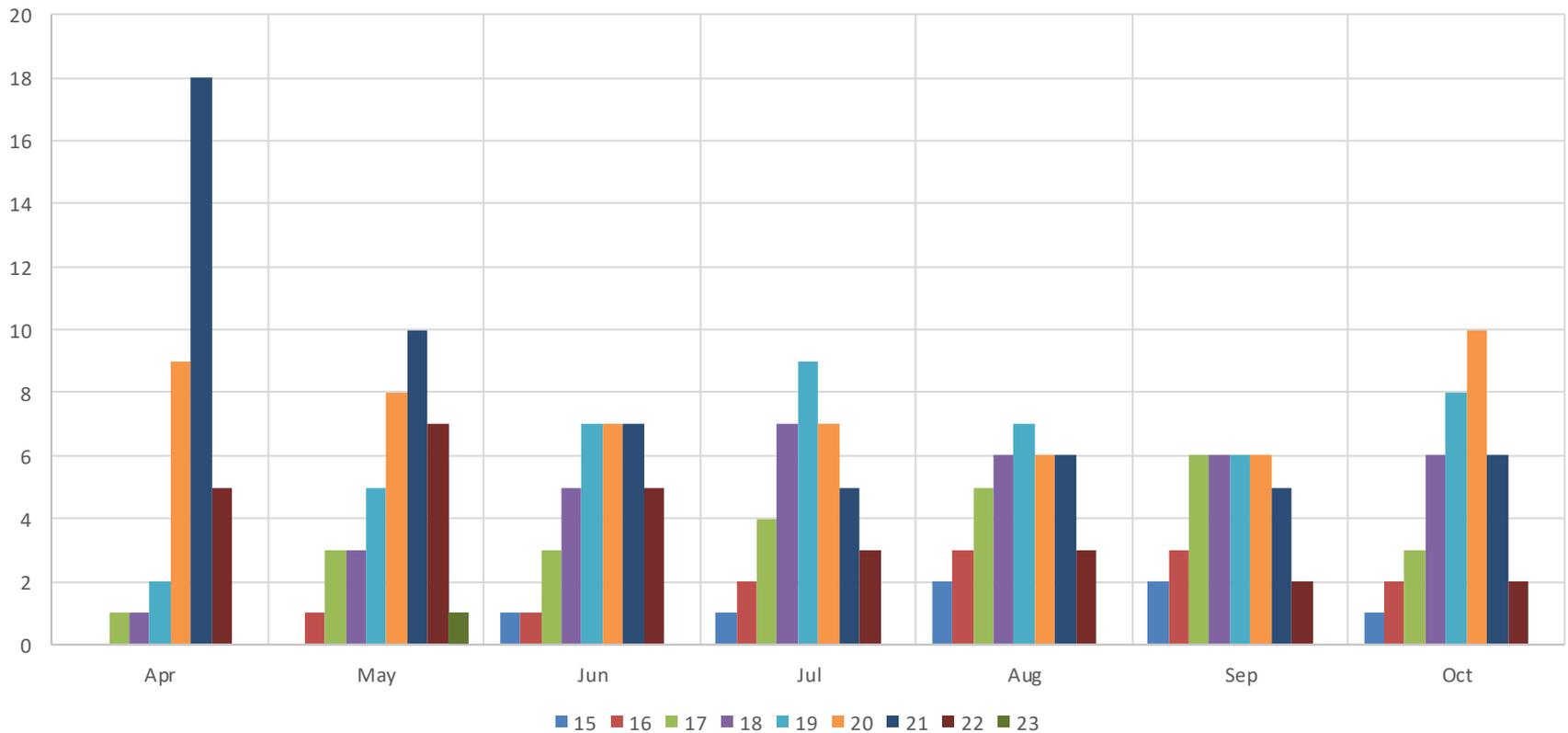
Expected load shape evolution: Summer season



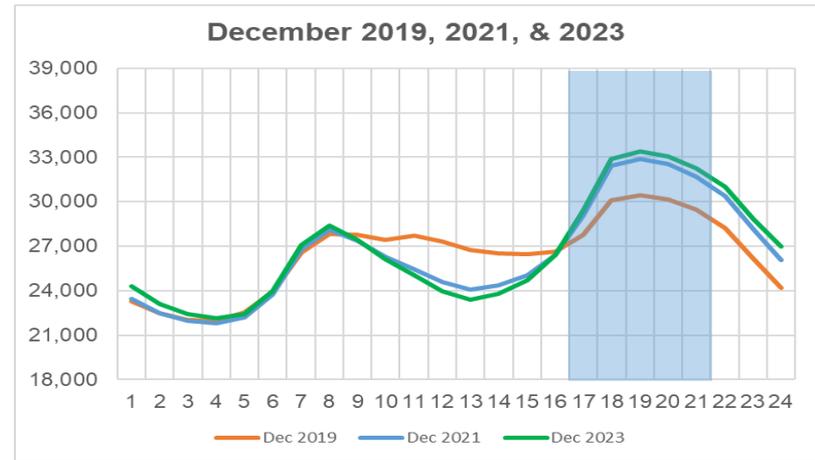
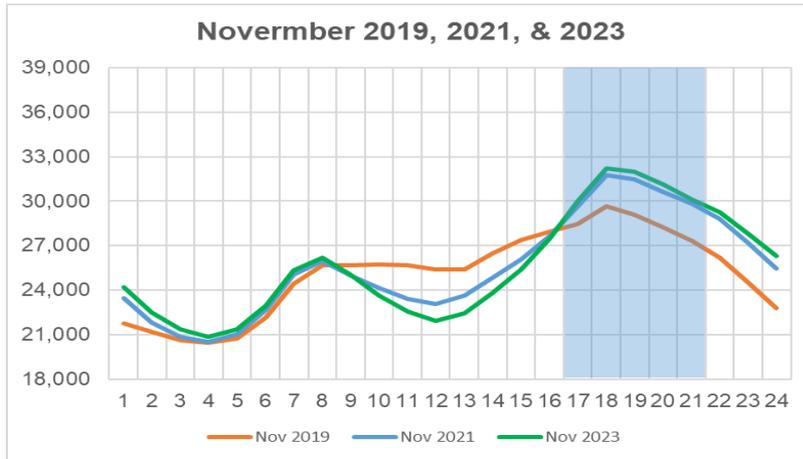
Summer Season

2021 top 5% of load hours (in HE)

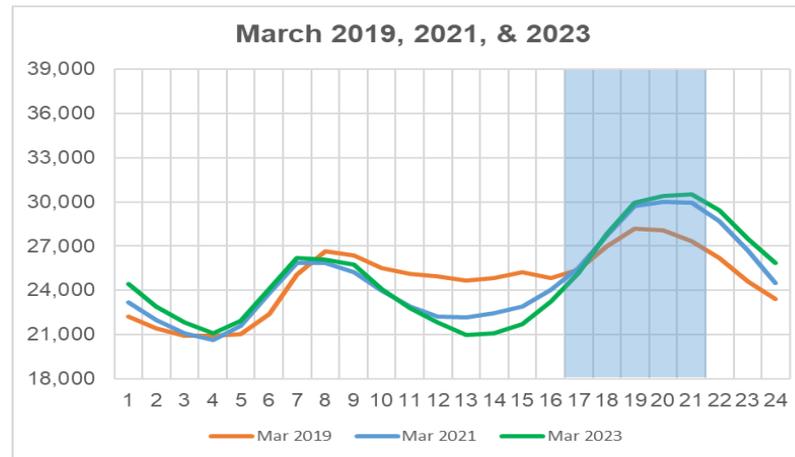
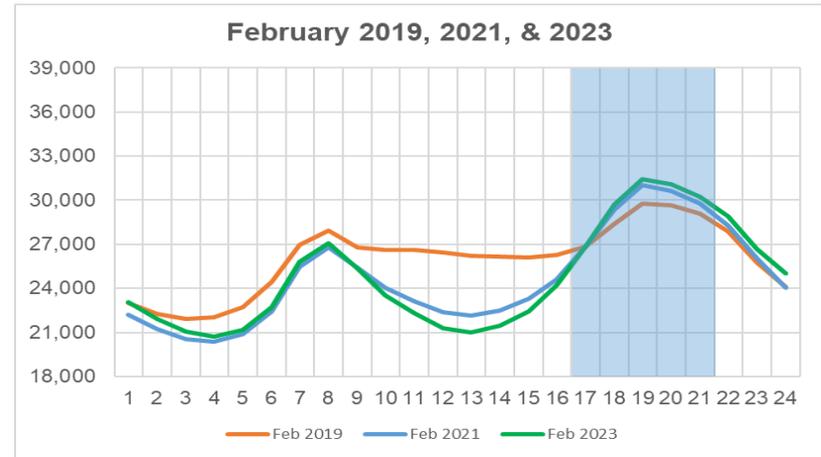
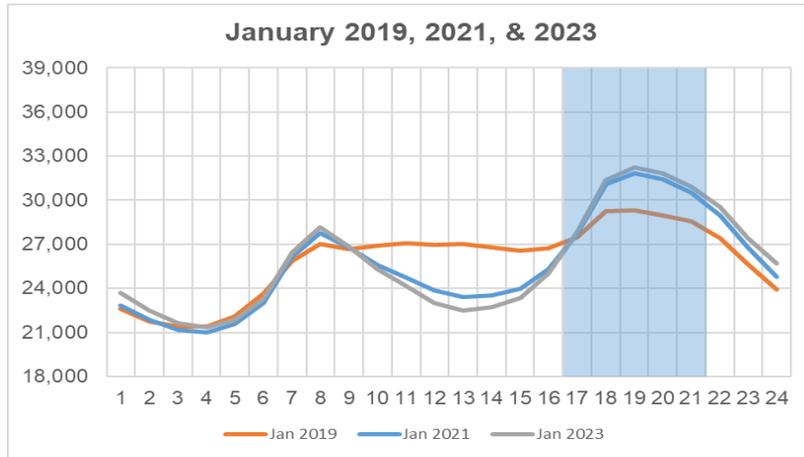
Summer Season: Frequency of Top 5% of Load Hours by Month (in Hour Ending)



Expected load shape evolution: Winter season



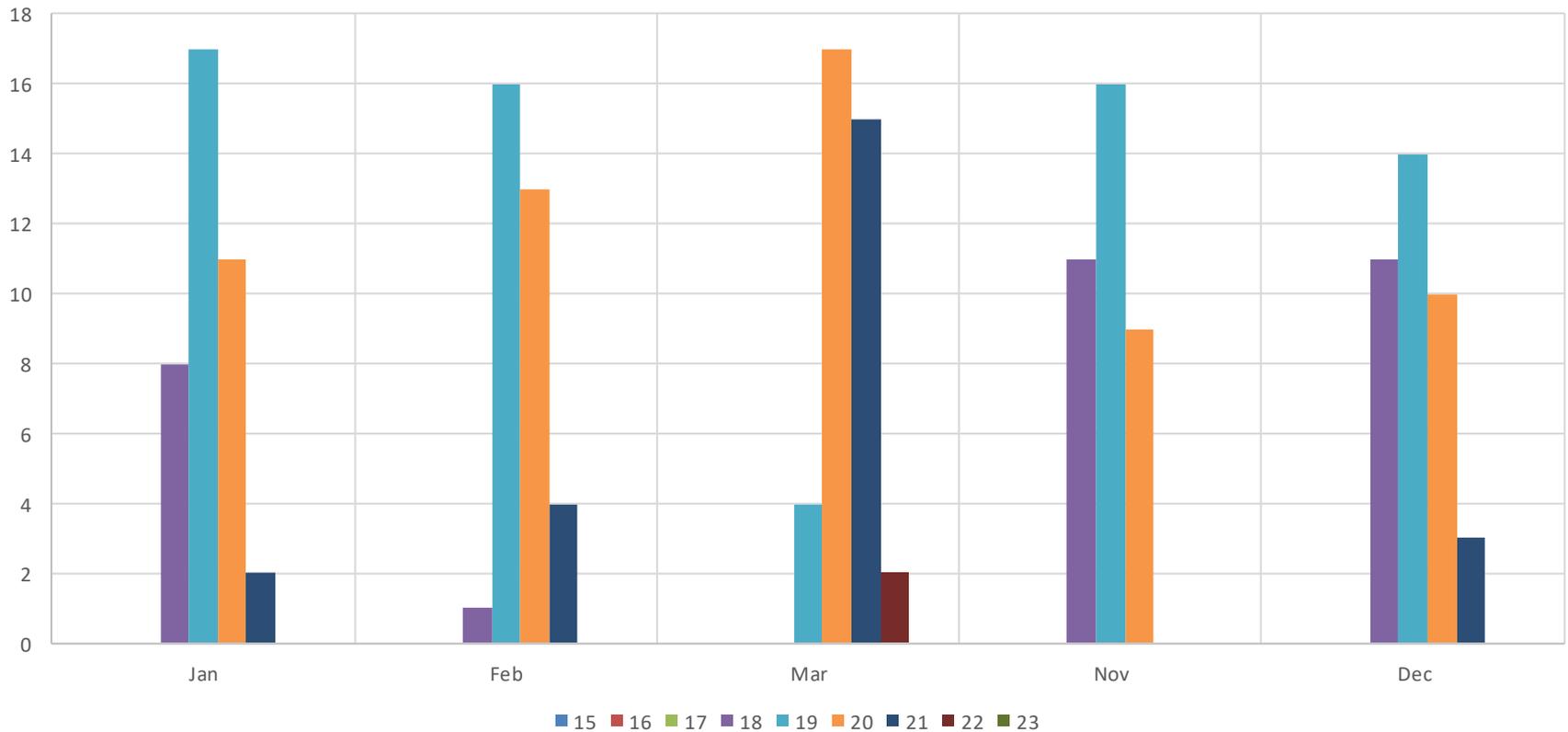
Expected load shape evolution: Winter season



Winter Season

2021 top 5% of load hours (HE)

Winter Season: Frequency of Top 5% of Loud Hours by Month (in Hour Ending)



Availability assessment hours draft recommendation

Winter Season Draft Recommendation

Year	Start	End
2020 (Final)	HE 17	HE 21
2021 (Draft)	HE 17	HE 21
2022 (Estimate)	HE 17	HE 21
2023 (Estimate)	HE 17	HE 21

Summer Season Draft Recommendation

Year	Start	End
2020 (Final)	HE 17	HE 21
2021 (Draft)	HE 17	HE 21
2022 (Estimate)	HE 17	HE 21
2023 (Estimate)	HE 17	HE 21

Reliability Requirements; Section 7 –BPM Updates Needed

2021 System and Local Resource Adequacy Availability Assessment Hours

Analysis employed: Top 5% of load hours using average hourly load

Summer: April 1 - October 31

Availability Assessment Hours: 4pm – 9pm (HE17 – HE21)

Winter: November 1 - March 31

Availability Assessment Hours: 4pm – 9pm (HE17 – HE21)

2021 Flexible Resource Adequacy Availability Assessment Hours and must offer obligation hours

Flexible RA Capacity Type	Category Designation	Required Bidding Hours	Required Bidding Days
January – February			
November – December			
Base Ramping	Category 1	05:00am to 10:00pm (HE6-HE22)	All days
Peak Ramping	Category 2	2:00pm to 7:00pm (HE15-HE19)	All days
Super-Peak Ramping	Category 3	2:00pm to 7:00pm (HE15-HE19)	Non-Holiday Weekdays*
March – August			
Base Ramping	Category 1	05:00am to 10:00pm (HE6-HE22)	All days
Peak Ramping	Category 2	4:00pm to 9:00pm (HE17-HE21)	All days
Super-Peak Ramping	Category 3	4:00pm to 9:00pm (HE17-HE21)	Non-Holiday Weekdays*
September – October			
Base Ramping	Category 1	05:00am to 10:00pm (HE6-HE22)	All days
Peak Ramping	Category 2	3:00pm to 8:00pm (HE16-HE20)	All days
Super-Peak Ramping	Category 3	3:00pm to 8:00pm (HE16-HE20)	Non-Holiday Weekdays*

Next steps

- Published Draft Flexible Capacity Needs Assessment for 2020- April 9, 2020
 - Comments due April 28, 2020
 - Please submit comments on the assumptions to initiativecomments@caiso.com
- Publish Final Flexible Capacity Needs Assessment for 2020 – May 15th, 2020

Questions

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