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System Operator

# Update on Resource Adequacy

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MSC Meeting  
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## Issues - Phase II Workshops

- Peak Capacity Requirements
  - CPUC Order: 115-117% of monthly peak loads
  - Issue: LSE Peak or System Coincident Peak?
- Hours of Capacity Obligation
  - CPUC Order: All hours when load forecast  $> 90\%$  of monthly peak
  - Issue: Is 90% appropriate/sufficient?
- Other Hours (Capacity & Energy)
  - CPUC Order: Assumes peak capacity requirements will result in sufficient capacity and energy available all hours
  - Issue: Is this reasonable, or are other contractual obligations needed?



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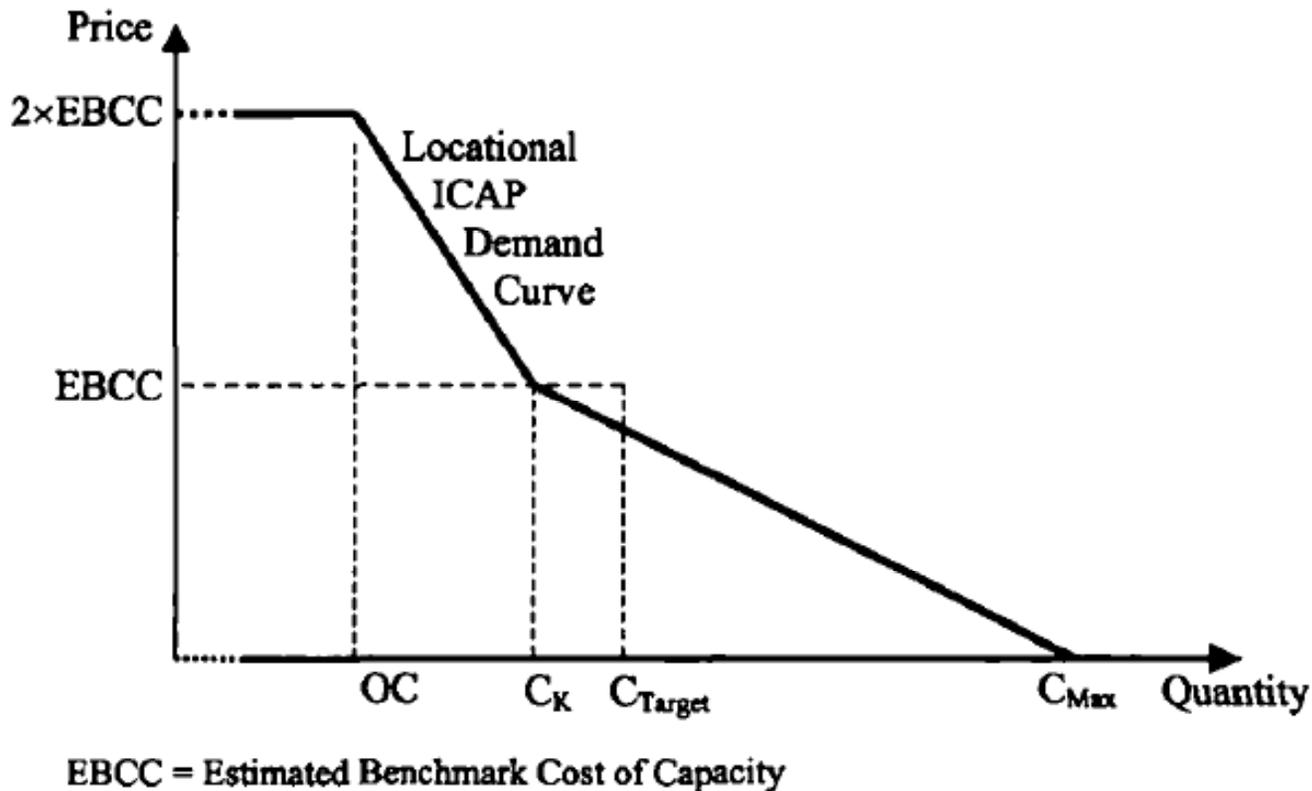
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# Issues - Phase II Workshops (Continued)

- Locational Capacity Requirements
  - CPUC Order: 115-117% of monthly peak loads
  - Issue: LSE Peak or System Coincident Peak?
- Liquidated Damages (“LD Contracts”)
  - Should LD contracts count as capacity?
  - Grandfathering of existing LD contracts
  - Limits on reliance of LD contracts
- Compliance
  - CPUC Order: Assumes CPUC will enforce compliance by LSE’s
  - Issues: Many



## New England ISO's LICAP Proposal



ER03-563-030 (8/31/2004): Prepared Direct Testimony of Steven Stoft on behalf of ISO NE, Exh. No. ISO-17, p. 45 of 112

Also see "LICAP and its Lessons: A Kink in the Curve," by Bruce Radford, Public Utilities Fortnightly, Jan. 2005, p.16-22.