

Stakeholder Comments – CAISO Draft Local Capacity Requirements Results for 2021 & 2025

Submitted by	Company	Date Submitted
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SCE appreciates the opportunity to provide the comments on the CAISO's 2021 and 2025 Local Capacity Requirements (LCR) study draft results dated March 16, 2020¹.

SCE is concerned with how the CAISO has seemingly excluded the benefits of the Pardee-Sylmar No. 1 and No. 2 230 kV Line Rating Increase Project (Pardee-Sylmar Project) in the draft 2021 and 2025 LCR results for the Big Creek-Ventura Local Area. As documented in the CAISO Board- approved 2019-2020 Transmission Plan, posted on 3/26/2020, the Pardee-Sylmar Project will reduce LCR for the Big Creek-Ventura area by 837 MW, with an achievable in-service date of May 2023². This 837 MW LCR reduction benefit of the Pardee-Sylmar Project approved in the 2019-2020 Transmission Plan is not fully captured in the draft LCR results which show only 110 MW of LCR reduction from the prior year in 2025 for the Big Creek-Ventura Local Area³. Exacerbating SCE's concern, the 110 MW LCR reduction is due to a decrease in the load forecast, which indicates that the expected benefits of the Pardee-Sylmar Project on the LCR have not been factored into the LCR study.

SCE objects to the LCR study not incorporating the approved Pardee-Sylmar Project, even if the approval occurred after the study was initiated, but before the study concludes. This is particularly important as the project is expected to have significant benefits in lowering the LCR for the Big Creek-Ventura Local Area and thus lowering ratepayer procurement costs in meeting the local resource adequacy (RA) requirement. Failing to account for the Pardee-Sylmar Project in the LCR study will instead result in a local need at a level that is artificially set, with the undesirable outcome of load serving entities having to unnecessarily procure additional resources to meet the "need". For this reason, given the magnitude of the impact of the Pardee-Sylmar Project, SCE respectfully requests the CAISO incorporate this project in the final LCR study. In particular, the local RA requirements for multi-year forward procurement should be inclusive of the Pardee-Sylmar Project to avoid over-procurement. This information is provided annually to the CPUC in the RA OIR and should represent expected grid conditions to avoid potentially costly over-procurement.⁴

¹ Draft 2021 and 2025 LCR Results Presentations, available at

<http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=71F423C0-0FD1-4167-9DF0-0839EAEA5387>

² ISO Board Approved 2019-2020 Transmission Plan, posted 3/26/2020, at 150, available at

<http://www.caiso.com/Pages/documentsbygroup.aspx?GroupID=04DA7FC8-C5C8-436B-BB0E-EE7E0A42D042>.

³ 2021 & 2025 Draft LCR Study Results Big Creek/Ventura Area, at 13-14, available at

<http://www.caiso.com/Documents/Presentation-Draft2021and2025LCRBigCreek-VenturaLocalArea.pdf>. The 2021 draft LCR is 2,296MW, compared to 2,410MW in 2020; the 2025 draft LCR is 2,468MW, compared to 2,577MW.

⁴ SCE recognizes that the CPUC has issued a Proposed Decision with regard to Central Procurement for local RA and that if adopted would not require procurement for 2023 until 2021 which would allow additional time for this study to incorporate the Sylmar-Pardee project. However, if the PD is not adopted, it is not clear that LSEs would not be required to procure local RA for the 2023 year in 2020.