



Stakeholder Comments Template

Local Resource Adequacy with Availability-Limited Resources and Slow Demand Response Draft Final Proposal

This template has been created for submission of stakeholder comments on the *Local Resource Adequacy with Availability-Limited Resources and Slow Demand Response Draft Final Proposal* that was published on October 2, 2019. The proposal, stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on October 24, 2019.

Submitted by	Organization	Date Submitted
Effat Moussa	SDG&E	October 30, 2019

Please provide your organization’s comments on the following topics. When applicable, please indicate your organization’s position on the topics below (Support, Support with caveats, Oppose, or Oppose with caveats). Please explain your rationale and include examples if applicable.

1. Local Assessments with Availability-Limited Resources

- Please provide your organization’s feedback on the *Local Assessments with Availability-Limited Resources* proposal as described in *Section 3*.

SDG&E supports the availability-limited resources assessment proposed by the CAISO to address potential procurement shortfall due to the CAISO’s changing resource mix. This energy sufficiency test is needed to ensure that in local areas, both capacity and energy needs at every hour of the year are met. However, SDG&E strongly believes that the information from this assessment should be used to establish the minimum amount of hours required to qualify as an RA resource. Without such criteria, resources would continue to be designed and contracted by LSEs to meet the capacity counting requirements based on the minimum four hour requirement. SDG&E believes the CAISO should also work with the CPUC and other Local Regulatory Authorities (LRA) to reevaluate the qualifying capacity methodologies to ensure that all resources are counted properly so that LSEs procure resources to meet the CAISO’s sufficiency needs. Additionally, SDG&E believes that the proposal can be further improved if, in addition to hourly load and available resource data, the CAISO could also provide “energy check” tables that LSEs can use to test their RA portfolios. These tables may be similar to the ones published by the

CAISO for the Moorpark and Santa Clara studies. This will allow all LSEs to use the same table templates and make better informed procurement decisions in the interim.

2. Slow Demand Response

- Please provide your organization's feedback on the *Slow Demand Response* proposal as described in *Section 4*.

In summary, please provide your organization's position on the *Local Capacity with Availability-Limited resources and Slow Demand Response Draft Final Proposal*. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats and explain your rationale)

SDG&E supports the changes proposed by the CAISO to better integrate and dispatch slow Demand Response (DR) resources and fast Reliability Demand Response Resources (RDRR) that qualify as local capacity resources.

The CAISO is proposing a post-day-ahead market tool that will ensure that slow DR can be committed pre-contingency right after the day-ahead (DA) market processes. The post-day-ahead market tool will use a Minimum Online Commitment (MOC) requirement approach to determine the amount (MW) of slow DR that will be eligible to be dispatched. SDG&E finds this proposal to be a conservative and reasonable approach for resources that require an "extended notification period" to respond to dispatch instructions. SDG&E requests the CAISO to clarify that DR resources should continue to bid into the day-ahead market and receive awards from the CAISO. In the case when the CAISO is unable to dispatch sufficient capacity, then the CAISO would rely on the MOC process to dispatch the un-awarded DR resources. SDG&E also requests the CAISO to clarify when the MOC process will provide dispatch information because there are notification time requirements such as 3pm for DR programs to be notified. After such time, the DR resource may not be available to be dispatched.

Slow RDRRs require the CAISO to declare an emergency situation in order to dispatch them. Emergencies are usually not declared on a daily basis day-ahead so it is understandable that slow RDRR are not going to be able to be committed in the DA processes. Because they cannot be dispatched in the DA processes and cannot be available within 20 mins. in real-time emergencies, /only fast RDRR, similar to fast PDR, should qualify as a local capacity resources.