



Comments of Pacific Gas & Electric Company

Commitment Cost Enhancements Tariff Clarifications – Draft Final Proposal

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator Corporation’s (CAISO) Commitment Cost Enhancements (CCE) Tariff Clarifications – Draft Final Proposal (the Proposal) and Draft Tariff Language, published January 29 and discussed in the stakeholder meeting on February 4.

PG&E appreciates the CAISO’s engagement as a Co-Chair in the California Public Utilities Commission’s (CPUC) resource adequacy (RA) proceeding to develop new hydroelectric qualifying capacity (QC) counting rules. Concerning the Proposal in this initiative, PG&E is generally supportive of the CAISO’s approach to run-of-river resources. However, PG&E opposes elimination of the interim exemption from RA Availability Incentive Mechanism (RAAIM) for conditionally available resources until updated counting rules are adopted by the CPUC.

PG&E’s comments can be summarized as follows:

1. PG&E supports the CAISO’s commitment to help develop hydroelectric QC counting rules at the CPUC.
2. PG&E supports the proposed definition of a run-of-river hydroelectric resource.
3. PG&E supports the proposal to exempt run-of-river hydroelectric resources from RAAIM.
4. PG&E continues to oppose the elimination of the RAAIM exemption on conditionally available resources until updated counting rules are put into place by the CPUC.
5. PG&E asks the CAISO to ensure the "as-available" must-offer obligation for conditionally available resources is consistent with the proposed tariff language.

1. PG&E supports the CAISO’s commitment to help develop hydroelectric QC counting rules at the CPUC.

PG&E appreciates the CAISO’s engagement as a Co-Chair in the CPUC’s RA proceeding to determine and propose alternate counting rules for hydroelectric resources. PG&E looks forward to working with the CAISO and other stakeholders to establish counting rules based on clear RA objectives and criteria, and reasonable expectations of resource capability.

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2. PG&E supports the proposed definition of a run-of-river hydroelectric resource.

The CAISO's proposed definition is appropriate.

3. PG&E supports the proposal to exempt run-of-river hydroelectric resources from RAIM.

PG&E supports the CAISO's proposal to confer run-of-river resources with a resource-level RAIM exemption for generic RA. Given the similar, uncontrollable nature of their fuel source to wind and solar, it is reasonable to extend the resource-level RAIM exemption provided to other variable energy resources.

4. PG&E continues to oppose the elimination of the RAIM exemption on conditionally available resources until updated counting rules are put into place by the CPUC.

It is appropriate to maintain the provision to manage conditionally available limitations with a RAIM-exempt outage card until new counting rules are established at the CPUC that reasonably reflect resources' availability to the CAISO market and account for the inherent challenges with these resources (e.g., weather patterns, FERC licensing, state fish and wildlife agencies, storage levels, etc.).

5. PG&E asks the CAISO to ensure the "as-available" must-offer obligation for conditionally available resources is consistent with the proposed tariff language.

PG&E supports the draft tariff language clarifying the must-offer obligation for conditionally available resources. Section 40.6.4.1 states that conditionally available resources shown for RA "must submit Self-Schedules or Bids in the Day-Ahead Market *for their expected available Energy or their expected as-available Energy* [emphasis added], as applicable, in the Day-Ahead Market and RTM up to the quantity of Resource Adequacy Capacity the resource is providing."¹ Similarly, in the Proposal the CAISO writes that it "created a new resource category called 'conditionally available resource' that would also qualify for the as-available must-offer obligation"²

However, in the February 4 presentation, the CAISO states that "conditionally available resources are required to bid all capacity shown for resource adequacy" and that "'conditionally available' capacity is not the bidding requirement"³

PG&E asks the CAISO to clarify that the "as-available" must-offer obligation for conditionally available resources is indeed as it appears in the proposed tariff language.

¹ The CAISO's Draft Tariff Language at <http://www.caiso.com/InitiativeDocuments/DraftTariffLanguage-CommitmentCostEnhancementsTariffClarifications.docx>, 1.

² The CAISO's CCE Tariff Clarifications – Draft Final Proposal at <http://www.caiso.com/InitiativeDocuments/DraftFinalProposal-CommitmentCostEnhancementsTariffClarifications.pdf>, 7.

³ The CAISO's CCE Tariff Clarifications presentation at <http://www.caiso.com/InitiativeDocuments/CommitmentCostEnhancementsTariffClarifications-Feb4-2020.pdf>, 9.