



Comments of Pacific Gas & Electric Company

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

Submitted by	Company	Date Submitted
Tyrone Hillman (415-973-3057) Paulo Amaral (415-973-0434)	Pacific Gas & Electric	(October 31, 2019)

Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator Corporation’s (CAISO) Local Resource Adequacy (RA) with Availability-Limited Resources and Slow Demand Response (DR) – Draft Final Proposal, published October 3, 2019.

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

1. The CAISO’s method for evaluating local capacity needs considering resource availability limitations is inadequate and could result in insufficient resources being procured to meet the capacity requirement.
2. The CAISO should determine the hourly capacity needs that consider the effectiveness of resources that contribute to the hourly requirements.
3. PG&E remains supportive of the CAISO’s approach to slow response DR and appreciates the added option to potentially count some “slow response” DR, able to respond in 20-min, for local RA.

1. The CAISO’s method for evaluating local capacity needs considering resource availability limitations is inadequate and could result in insufficient resources being procured to meet the capacity requirement.

The CAISO acknowledges the importance of enhancing its evaluation processes to consider availability limitations from a RA perspective towards meeting the peak capacity requirement. The CAISO described the enhancements to its study process that is intended to ensure sufficient energy (megawatt-hour) in the local areas by identifying the hourly load data and determining the contingency limit. This methodology is inadequate because it assumes that the import limit determined by the most severe contingency in a local area can exceed four hours. This does not take into account the operational need to return from contingency conditions to normal conditions before reaching the four hour limit. Determining local procurement upon the assumption that the constraint can remain at its emergency condition for more than four hours will result in insufficient resources being procured to return the constrained line to its normal limit. The CAISO should identify both the normal and emergency limits in the local areas to ensure that sufficient resources are being procured to properly account for resource availability limits and transmission contingency limits.

2. The CAISO should determine the hourly capacity needs that consider the effectiveness of resources that contribute to the hourly requirements.

The CAISO includes the impact of behind-the-meter (BTM) solar in determining the hourly load shapes for each local area. This reflects the decreasing energy contribution during the day when the sun begins to set. The CAISO has already begun to consider the changing contribution of resources during different periods of the day with its latest proposal to modify its Deliverability Assessment Methodology and the analysis used in its Integrated Resource Planning Procurement Track comments. The CAISO should continue to enhance its analysis by aligning with the resource effectiveness and contributions that they have identified in other venues to ensure consistency by determining hourly capacity needs for local area requirements.

3. PG&E remains supportive of the CAISO's approach to slow response DR and appreciates the added option to potentially count some "slow response" DR, able to respond in 20-min, for local RA.

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