



## Stakeholder Comments Template

### Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the Resource Adequacy Enhancements working group on June 10, 2020. The stakeholder call presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.aiso.com/StakeholderProcesses/Resource-Adequacy-Enhancements>

Upon completion of this template, please submit it to [initiativecomments@aiso.com](mailto:initiativecomments@aiso.com). Submissions are requested by close of business on **June 24, 2020**.

Submitted by	Organization	Date Submitted
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**Please provide your organization's comments on the following issues and questions.**

#### 1. Production Simulation: Determining UCAP Needs and Portfolio Assessment

Please provide your organization's feedback on the Production simulation: Determining UCAP needs and portfolio assessment topic as described in slides 4-15. Please explain your rationale and include examples if applicable.

**Six Cities' Comments:** As described in the Six Cities' previous comments in this initiative dated April 14, 2020, the Six Cities support the concept of evaluating portfolio sufficiency, *i.e.*, the ability of the Resource Adequacy portfolio to meet load requirements during all hours, not just during system peak periods. In addition, the Six Cities support the use of the production simulation model used for the CAISO's annual Summer Assessment studies for purposes of portfolio sufficiency testing. However, the Six Cities remain concerned that basing the portfolio sufficiency test solely on production modeling limited exclusively to shown RA resources may be overly conservative and lead to unnecessary and/or unduly costly incremental procurement. Because non-RA resources do not take on any forward obligation to

make themselves available to the CAISO BAA during any specific periods, it makes sense to conduct a portfolio sufficiency test based solely on the production capability of shown RA resources as one metric of the portfolio sufficiency analysis. But non-RA resources within the CAISO BAA do have obligations under the Participating Generator Agreement to comply with all applicable provisions of the CAISO Tariff (Participating Generator Agreement Section 4.2), including, inter alia, (1) responding to Exceptional Dispatch instructions when they are able to do so (Tariff Section 34.11.1), (2) informing the CAISO of changes in operational status (Tariff Section 4.6.1.1), and (3) complying with outage management requirements under Tariff Section 9, including obtaining CAISO approval for planned outages. (Tariff Section 9.3.2.) All Participating Generators also are subject to CAISO control “to prevent an imminent or threatened System Emergency.” (Tariff Section 7.7.2(c)(1).) In light of the foregoing obligations of all Participating Generators, it seems unreasonable to completely ignore the capabilities of non-RA resources in evaluating portfolio sufficiency. Such resources are not merely economic energy substitutes, as the Summer Assessment studies implicitly have recognized. The Six Cities, therefore, recommend that if it is technically feasible to do so, the CAISO conduct the portfolio sufficiency tests based on both shown RA resources (both internal and external to the CAISO BAA) and on shown RA resources plus all non-RA resources within the CAISO BAA. The broader test (*i.e.*, all shown RA resources plus all non-RA resources within the CAISO BAA) would provide useful supplemental information on the severity of reliability risks arising from any deficiency identified by the narrower sufficiency test (based only on shown RA resources) as well as potential guidance on the most efficient approach for any supplemental RA procurement considered necessary. If it is not technically feasible to conduct the portfolio sufficiency tests based on both sets of resource inputs for every month, the CAISO could perform the broader-based test only in months for which the narrower test indicates a deficiency.

## 2. Transitioning to UCAP Paradigm

Please provide your organization’s feedback on the transitioning to UCAP paradigm topic as described in slides 16-19. Please explain your rationale and include examples if applicable.

**Six Cities’ Comments:** The Six Cities recommend that the CAISO avoid use of the term “NQC” to signify two different measures of capacity. Although the CAISO suggests at Slide 17 of the June 10, 2020 presentation that retaining use of the NQC term but applying it for different purposes may reduce the need to modify existing contracts, the Six Cities believe that use of the same term for different purposes is more likely to result in uncertainty and controversy over obligations under existing contracts that utilize the term based on its historical definition. For that reason, the Six Cities prefer the Option 2 approach described at Slide 18 of the June 10, 2020 presentation.

Overall, the Six Cities consider the timeline for the implementation plan proposed in Slide 19 of the June 10, 2020 presentation to be optimistic, especially since the CAISO now proposes a “clean” transition to the UCAP-based RA framework beginning with the 2023 RA year, rather than a phased approach as previously discussed. However, the Six Cities do not object to adopting the proposed schedule as a target,

subject to modification as necessary to support careful development of implementation details with adequate opportunities for stakeholder input and preparation.

### 3. Unforced Capacity Evaluations

Please provide your organization's feedback on the unforced capacity evaluations topic as described in slides 20-59. Please explain your rationale and include examples if applicable.

**Six Cities' Comments:** The Six Cities question the appropriateness of reducing UCAP value to reflect "Urgent Outages" as defined in Reliability Coordination Procedure RC0630. As described in Procedure No. RC0630 at page 15, for an Urgent outage:

Facility/equipment remains in service until personnel, equipment and/or system conditions allow the outage to occur.

*Urgent* outages allow Facilities to be removed from service at an optimal time for overall system reliability. (Italics in original.)

Because an Urgent outage by definition is coordinated to maintain overall system reliability, it does not seem reasonable to reduce UCAP for such outages.

The Six Cities also are concerned about the CAISO's proposal to eliminate nature of work categories that are exempt from outage penalties under the current framework and to adopt instead as-yet undefined "exceptions" for outages that will not be counted as reducing UCAP, as described at Slide 26 of the June 10, 2020 presentation. The CAISO did not provide any details regarding the bases for such exceptions during the workshop. The criteria for exceptions from UCAP reduction should be specified in advance in the tariff and should include any reductions in resource availability that (1) are directed by the CAISO, (2) result from a transmission outage, (3) are consistent with an operational procedure agreed upon by the CAISO and the resource owner or operator, or (4) are the result of a natural disaster or measures directed to mitigate or avoid disaster (such as fire prevention directives).

- a. Please provide your organization's feedback on the UCAP methodology: Seasonal availability factors topic as described in slides 27-46. Please explain your rationale and include examples if applicable.

**Six Cities' Comments:** The Six Cities have not identified objections to the proposed methodology for calculating seasonal availability factors as described in the June 10, 2020 presentation. However, it is not clear that the application of seasonal availability factors provides benefits sufficient to justify the additional complexity associated with application of seasonal factors. If differences in UCAP values that result from the application of seasonal factors end up being insignificant, then tracking the seasonal differences and adjusting RA procurement to make up for minor differences does not seem reasonable.

- b. Please provide your organization's feedback on the UCAP methodologies for non-conventional generators topic as described in slides 47-59. Please explain your rationale and include examples if applicable.

**Six Cities' Response:** The Six Cities have no comments on this topic at this time.

**Additional comments**

Please offer any other feedback your organization would like to provide on the Resource Adequacy Enhancements working group discussion.

**Six Cities' Response:** The Six Cities have no additional comments at this time.