**CPUC Staff Comments on PRR 986**

CPUC Staff opposes CAISO’s proposed changes to the resource adequacy (RA) availability assessment hours for 2018. We request that CAISO delay implementing the proposed changes until after the 2018 RA proceeding and decision, for implementation no earlier than January 2019. The reasons for this opposition are detailed below.

1. Commission Decision (D.) 10-06-036 adopted a Qualifying Capacity Manual that describes the methodologies used to calculate NQC values for all resources.[[1]](#footnote-1) This included adopting measurement hours for demand response and non-dispatchable resources. Though the qualifying capacity of demand response resources is determined through application of the load impact protocols and qualifying capacity of non-dispatchable resources is determined based on past production, the same measurement hours were adopted for both based on the hours of peak demand. These hours are also used to determine when demand response resource must be available. The adopted hours are:

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| Jan–Mar, Nov and Dec: | HE17 - HE21 (4:00 p.m. - 9:00 p.m.) |
| Apr–Oct: | HE14 - HE18 (1:00 p.m. - 6:00 p.m.) |

At the time, CAISO adopted the same hours for its availability assessment hours. Unilaterally changing the RA availability assessment hours without changing the measurement hours creates a mismatch that may be problematic for some resources such as demand response. At this time, a proposed decision in the CPUC’s resource adequacy proceeding (R.14-10-010) has already been released. Therefore, no additional changes to the RA program may be considered for implementation in 2018. Changes to the RA measurement and assessment hours should be made in a coordinated way so that CPUC and CAISO rules are in agreement.

1. CPUC Staff have assessed the peak system hours and agree that these hours are shifting. However, CAISO is proposing to change the hours without sharing any data to support the change. CPUC Staff encourage CAISO to share this analysis so that parties may more fully consider this issue and anticipate future changes.
2. CPUC Staff note that processes are underway already to finalize contracts for DR delivery of local, system and flexible Supply Side DR for 2018. 2018 short-listed DRAM bidders have already received offers based on the existing RA hours and IOUs have already filed 2018-2022 DR applications. A unilateral change by CAISO of RA availability assessment hours for 2018 would negatively impact resource delivery by causing uncertainty and confusion. It could result in DRAM bidders needing to terminate or not accept offers just made, seek exemptions, or cause CPUC and the CAISO to assess RA compliance differently, all of which are problematic.

1. D.10- 06-036, Appendix B, pp. 13 and 19. [↑](#footnote-ref-1)