

**PRR 986 California Large Energy Consumers Association Comments 5-31-17**

**CLECA Recommendation:** The California Large Energy Consumers Association (CLECA) opposes the CAISO's proposal to change the availability assessment hours (AAH) for system and local resource adequacy (RA) for the 2018 compliance year.

**CAISO Proposal:** The CAISO proposes to change the summer AAH for system and local RA for 2018 from the current HE14-HE18 to be the same as the winter hours, which are HE17-HE21. The CAISO also proposes to change the AAH for peak and super-peak ramping flexible RA from the current HE16-HE20 to HE15-HE19 for January through April and October through December. It also states that the analysis it conducted to set the hours is the top 5% of load hours using average hourly load.

**Problems with the CAISO Proposal:** The CAISO proposal comes too late in 2017 to make changes in the system and local RA requirements for 2018. The proposed decision (PD) at the CPUC for 2018 RA issues was issued May 25, with a final decision expected in June. The PD does not propose to adopt any changes to the AAH for system or local RA. Thus, the CAISO's proposed changes for system and local RA will result in an inconsistency between CPUC adopted hours and CAISO's proposed hours. For flexible RA, the PD at page 9 does contain a discussion of the CAISO's proposal to change the AAH for peak and super-peak resources, citing the CAISO's final Flexible Capacity Needs Assessment for 2018 which was received by the Commission on May 1, 2017, and adopts the change.

Separately, parties have bid to participate in the Demand Response Auction Mechanism (DRAM) pilot for 2018 and 2019 based on the current AAH hours. The purchase agreement states that "in the event that material changes to definition of Resource Adequacy, including but not limited to changes in the Resource Adequacy Availability Assessment Hours, are adopted during the Term of this Agreement", the seller may either reduce its monthly quantity or terminate the agreement. The purchase agreements for that pilot were approved by the CPUC via Resolution E-4817, adopted in January of this year. The auction has been concluded and short-listed bidders were notified last week. A change in the AAH for 2018 or even 2019 would be highly disruptive and might result in terminated contracts that undermine the results of the auction.

In addition, the CPUC Energy Division is in the process of doing its qualifying capacity analysis based on the current hours. This must be completed by June 1. Any proposal to change the system and local AAH must be closely coordinated with the CPUC with enough time to work through the impact of any changes so that there is not a disconnect between what the CAISO uses for the AAH and what the CPUC does for RA for its jurisdictional entities. The earliest this could be accomplished would be for the 2019 RA year and even this would create a need for an exemption of DRAM resources in 2019 from those AAH. The worst outcome would be a mismatch between the CPUC and CAISO AAH when load-serving entities are attempting to meet their 2018 RA compliance obligation.

It is useful that the CAISO has indicated in the Draft Reliability Requirements BPM\_V3 that the analysis used to determine the AAH is the top 5% of load hours using average hourly load. Is this what the CAISO has used historically? Previous versions of the BPM do not contain this information. If the CAISO is proposing to use a different methodology to set the AAH, this should be explicitly explained. In addition, it is not clear if the reference to “average hourly load” is net load. This should also be explained.

Dr. Barbara R. Barkovich  
Consultant to CLECA  
(707) 937-6203  
Barbara@barkovichandyap.com