



Comments of Pacific Gas & Electric Company

PRR986 (Update Resource Adequacy Availability Incentive Mechanism (RAAIM) Assessment Hours)

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on PRR986 (Update Resource Adequacy Availability Incentive Mechanism (RAAIM) Assessment Hours).

PG&E supports CAISO’s efforts to ensure that the System RA Availability Assessment Hours (AAH) reflect the current system conditions. The System RA AAH that correctly reflects system conditions is critical to market participants from a planning perspective. In addition, PG&E emphasizes the importance of transparency by CAISO in the methodology for determining the AAH.

PG&E has split its comments into three sections: 1) System Reliability, 2) Addressing the Inconsistency with the CPUC RA Measurement Hours for Select Resources, and 3) Additional Considerations.

System Reliability

The current System RA AAH of HE14-18 for April to October (summer) and HE17-21 for January to March and November to December (non-summer) were established in 2010. The AAH is a five hour window that corresponds to the operating periods when high demand conditions typically occur and when the availability of RA capacity is most critical to maintaining system reliability. Additionally, the AAH was established to assess the extent to which each RA resource has met the availability standards as defined in the CAISO tariff.

PG&E, along with additional stakeholders, acknowledges that the increased penetration of renewable resources, namely solar resources, has shifted the peak hours during the summer period (HE14-18). This has resulted in the current System RA AAH being out-of-date and non-applicable to current system conditions.

PG&E supports CAISO’s determination that the System RA AAH be updated to HE17-21 for both the summer and non-summer period beginning in 2018. However, PG&E believes a few refinements should be considered for implementation beginning in 2019.

CAISO Business Practice Manual (BPM) Change Management (PRR986)

1. CAISO should consider establishing the System RA AAH based on the forecasted load hours vs. the historical load data. This methodology would be similar to how the Flexible RA AAH is established.
2. CAISO should consider revising the summer and non-summer periods for System RA to align with the summer and non-summer demarcation in the RA program, similar to the Flexible RA product. Specifically, CAISO should consider the summer period for System RA to be May to September. This should minimize any confusion amongst market participants and provide consistency amongst the varying RA products.
3. CAISO should consider publishing the determination of the System RA AAH by mid-May for the next RA compliance year.

Addressing the Inconsistency with the CPUC RA Measurement Hours for Select Resources

Currently, the CPUC uses its “RA Measurement Hours” to determine the QC for select resources, namely wind, solar and demand response resources. The recent Proposed Decision in Rulemaking D.14-10-010 issued on May 25, 2017 to implement the Effective Load Carrying Capacity (ELCC) based QC methodology for wind and solar resources should address the concern that the RA Measurement Hours will not be aligned with the CAISO System RA AAH.

PG&E recognizes the potential impact to demand response resources that are based on the load impact protocols, which excludes DRAM for 2018 and 2019¹. However, based on an internal analysis, PG&E does not anticipate any significant impact to its demand response portfolio. Further, the DR filing covering program years 2018-2022 requested that the Commission revise the Capacity Bidding Program hours beginning in 2018 to accommodate the shift in peak hours².

Additional Considerations

- PG&E recommends more transparency on the CAISO’s methodology in determining the System RA AAH by describing the methodology within the CAISO’s Reliability Requirements BPM.
- PG&E recommends that CAISO provide an opportunity for additional comments to be submitted after the June 6th meeting to allow market participants to respond to the feedback received during the discussion.

¹ D.16-06-045, Ordering Paragraph 5(a).

² A. 17-01-012 (PG&E’s DR Application for 2018-2022), p. 2-8, lines 25-26, proposes to shift the current CBP program hours from 11 a.m. to 7 p.m. to 1 p.m. to 9 p.m.