

Stakeholder Comments

PRR # 1280: Local Regulatory Authority Resource Adequacy Adjustments

Submitted by	Company	Date Submitted
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Please accept the following comments submitted by Northern California Power Agency (NCPA) in response to PRR No. 1280 to the Business Practice Manual for Reliability Requirements. Pursuant to Section 40.2.2.2 of the CAISO Tariff (Qualifying Capacity Criteria), a “Scheduling Coordinator for a Non-CPUC Load Serving Entity must provide the CAISO with a description of the criteria adopted by the Local Regulatory Authority or federal agency for determining qualifying resource types and the Qualifying Capacity from such resources and any modifications thereto as they are implemented from time to time.” Section 40.2.2.2 of the CAISO Tariff recognizes the jurisdictional authority of a Non-CPUC Load Serving Entity’s Local Regulatory Authority to determine what resource types may qualify as Qualifying Capacity for the purpose of Resource Adequacy compliance, including credit resources.

As further set forth in the CAISO Tariff, the criteria and methodology for calculating Qualifying Capacity or resources may be established by the CPUC or other applicable Local Regulatory Authority and provided to the CAISO. As such, the language proposed under PRR No. 1280 does not appear to respect the jurisdictional authority established for Non-CPUC Load Serving Entities by limiting Qualifying Capacity as adopted and approved by a Non-CPUC Load Serving Entity’s Local Regulatory Authority. To ensure the language proposed under PRR No. 1280 does not impede the Non-CPUC Load Serving Entity jurisdictional authority noted herein, NCPA respectfully requests that the language proposed under PRR No. 1280 be revised as follows:

In reviewing **CPUC Load Serving Entity** RA plans for compliance, the CAISO accepts **CPUC Load Serving Entity** LRA-provided credits against compliance obligations for the **CPUC Load Serving Entity** LRA’s jurisdictional LSEs provided the credits net to zero. For example, the CAISO accepts credits related to the CPUC’s Cost Allocation Mechanism because the credits allocate capacity from a known resource to various **CPUC Load Serving Entities** but they do not reduce the RA capacity provided and shown to the CAISO.

Consistent with the previous paragraph with respect to credits netting to zero, the CAISO understands that the CPUC may provide, on a quarterly basis, updated obligations/credits for **CPUC Load Serving Entities** due to load migration or other factors. Where the CPUC provides such updates, the CAISO will incorporate the

updated obligations/credits into the CPUC Load Serving Entity's monthly RA requirements as soon as feasible. The CAISO will only use the updated requirements for the month-ahead RA process; updated requirements will not be used to change existing annual CPM cost allocations. If the updated CPUC allocation relates to local RA obligations and the updated allocation does not fully allocate the total sum of each CPUC Load Serving Entity's proportionate share calculated under Section 40.3.2(a), then the ISO will allocate to CPUC Load Serving Entities the difference using the default allocation provisions under section 40.3.2(c) of the tariff.