

COMMENTS OF CALIFORNIA WIND ENERGY ASSOCIATION (CalWEA) ON ISO STANDARD CAPACITY PRODUCT (SCP) STRAW PROPOSAL DESIGN

CalWEA appreciates the opportunity to comment on the Straw Proposal and offers the following general comments:

“Grandfathering:” All past contracts should be grandfathered, in particular with respect to performance/availability standards and penalties/sanctions. Under no circumstances should suppliers be subject to standards and penalties under both their current agreements and also ISO SCP rules.

Straw Proposal – Performance/Availability Standards and Non-Compliance

Penalties/Sanctions: CalWEA generally does not object to the Straw Proposal provisions that would set plant-specific standards based on historic availability. However, further work is needed to ensure that there is no double-counting for resources where the applicable regulatory-authority Resource Adequacy (RA) counting rules also consider some measure of availability, to avoid penalizing resources twice for the same problems.

For example, the CPUC RA counting rules for intermittent resources (leading to annual determination of the plant Qualifying Capacity) are based on historic peak-hour production. While much of the variation in such production is due to “fuel” issues (lack of wind), some may also result from outages (e.g., forced outages) of turbines.

Thus, intermittent resources will already be penalized the following year for increased outages in the Compliance Year through reductions in their QC. Any ISO standards and/or penalties/sanctions must consider, and correct for, this factor.

Other Proposals for Performance/Availability Standards and Non-Compliance

Penalties/Sanctions: We strongly object to any definition of performance or availability, and resulting non-compliance measures, that do not consider the unique attributes of particular technologies – specifically, proposals from some parties that would set one standard for the percentage of time that “resources should be there when called upon” and penalize non-compliance with that standard.

Such provisions would be: (1) contrary to state policy promoting development of renewable resources, many of which are intermittent and cannot control their output; and (2) beyond the scope of the ISO’s authority. The CPUC and other regulatory authorities are fully able to determine the relative value of different resources to their jurisdictional LSEs, and set their RA counting rules and procurement oversight (including prices paid); it is not necessary or appropriate for the ISO to “correct” that relative value through penalty assessments or QC adjustments.