

Comments of the California Wind Energy Association on the CAISO Proposed Deliverability Assessment Methodology Issue Paper of April 24, 2019

Contact Information: Nancy Rader
e-mail: nrader@calwea.org
phone: 510-845-5077

Darius Shirmohammadi
e-mail: darius@gridbright.com
phone: 310-858-1174

Submitted On: May 16, 2019

Introduction

The California Wind Energy Association (CalWEA) appreciates the opportunity to comment on the California Independent System Operator's (CAISO) Generator Assessment Methodology Issue Paper of April 24, 2019.

Over the past decade, CalWEA has been a vocal critic of the CAISO's current deliverability assessment methodology, considering it to be overly conservative, in every respect, for its purpose. Recently, CAISO developed a reformed deliverability assessment methodology in response to the CPUC adopting an effective load carrying capability (ELCC) methodology for determining the RA capacity of variable energy resources. CalWEA considers the CAISO's proposal to reform its deliverability assessment methodology to be a step in the right direction. That being said, we remain concerned about the use of double contingencies in determining the deliverability of generation resources. Nevertheless, we are pleased to support the CAISO proposal, because it is needed to more accurately determine the deliverability status of new resources in light of the CPUC's adoption of the ELCC methodology for calculating the RA capacity of variable energy resources. We reserve our discussion of ELCC methodology for another day.

Unfortunately, we have observed that some stakeholders have caused delays in the implementation of these reforms by prolonging the process -- not because of the reforms' effectiveness for its purpose (qualifying a resource to provide RA capacity), but due to the stakeholders' concerns regarding an unrelated economic issue, that being the potential for increased transmission congestion within certain generation pockets.

CalWEA acknowledges that there is a possibility, albeit very remote, that real congestion issues may arise in the future for certain generation pockets under the CAISO's reformed deliverability assessment methodology. However, such a possible outcome would only occur if resource developers and load-serving entities (LSEs) fail to take into account this new deliverability assessment methodology. We believe such a failure is highly unlikely since the

resource development community (particularly investors) and load serving entities are quite sensitive to transmission congestion and would avoid development in, and procurement from, areas where congestion issues may arise. Furthermore, CalWEA believes that CAISO already has the tools and tariffs at its disposal to resolve any congestion issues that could arise via the Economic Planning track of its annual TPP process where it can resolve congestion for the benefit of the ratepayers in its footprint. Finally, CAISO should consider studying and publishing additional congestion studies aimed primarily at resource development zones which are at risk of such “overflow” as part of its annual TPP process to alert the resource development and procurement communities to potential future transmission congestion concerns.

In conclusion, CalWEA makes the following recommendations:

- CAISO should immediately implement its reformed deliverability assessment methodology, as part of Phase 2 of Cluster 11 and Phase 1 of Cluster 12 interconnection studies and any TPP study that it undertakes in response to the CPUC’s IRP process;
- CAISO should work with stakeholders to develop a template for new congestion studies and reports for its TPP process to share with the development and procurement communities in order to avoid the potential economic issues that may arise from the implementation of its reformed deliverability assessment methodology; and
- CAISO should avoid addressing congestion risk as part of the generation interconnection process because it would make an already complex process even more complex and potentially further delay the implementation of its reformed deliverability assessment methodology.