



Effective Load Carrying Capability Refinement

Sept 5-6, 2019
CPUC RA Working Group Meeting

SCE EXTERNAL

Outline

- Marginal v. Average ELCC
- Further granularity of ELCC for differing technology and location

Proposal: Marginal ELCC Should Be Adopted by CPUC for RA

Issues:

- August 23, 2019 RPS PD (R.18-07-003) adopted marginal ELCC values for RPS program bid ranking and selection. RA proceeding continues to use average ELCC values.
- Inconsistent treatment of ELCC within different proceedings can lead to unlevelled competitive environment.

Example:

- Suppose average ELCC value is above the marginal ELCC value.
- A non-jurisdictional entity would have an incentive to value resources as the average ELCC value while a jurisdictional entity is obligated to value resources as the marginal ELCC value
- The result could lead to IOUs procurement placing artificially higher value on more expensive resources in meeting the same RA obligation
 - This would result in IOU customers paying more for the same service.

Proposal:

- SCE proposes the same marginal ELCC methodology be adopted in the RA proceeding

Note: SCE submitted the same proposals in Track 1 RA Proceeding in February, 2018.

Proposal: ELCC RA Value Needs To Consider Locational & Technology Differences

Issues:

- August 23, 2019 RPS PD (R.18-07-003) adopted locational & technology differences in ELCC values for RPS program bid ranking and selection.
 - 6 resource class subtypes; 7 geographic locations (4 inside; 3 outside CAISO)
- RA, however, applies same ELCC value across locations, and across technology classes. As a result, ELCC RA values may not be fully aligned with resources' actual reliability contribution.
 - To obtain more accurate RA counting, resources that have higher production than their peers should have a different/higher ELCC value
 - A wind plant located in a high wind area v. that with a low wind area; a fixed tilt solar resource v. a tracking solar resource v. a solar thermal; with different latitude

Proposal:

- SCE proposes that the same granularity be added in the ELCC methodology for RA

Note: SCE submitted the same proposals in Track 1 RA Proceeding in February, 2018.

Summary

- ELCC methodology for RA needs to be refined to include:
 - Marginal process to determine ELCC value
 - Locational and technology differences of renewable resources