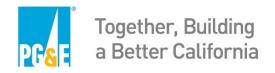
## Resource Adequacy Workshops Ordered by D.19-06-026

September 2019





## **Summary of Proposal**

- Proposal
  - The Commission should establish a Working Group process to review the local RA program to address on-going issues/concerns
    - Enables parties to further develop a number of proposals for future consideration by the Commission in the next RA proceeding
  - Issues specific to Track 2 of R.17-09-020 (central procurement structure) are out-of-scope for the Working Group
- Rationale
  - Diverging requirements between the Commission and CAISO have created two separate local RA programs



### **Diverging Requirements**

	CPUC	CAISO
Compliance NQC	Commission uses the <u>Augus</u> t NQC towards the LCR	CAISO uses the monthly NQC towards the LCR
Local Areas	LSEs must meet the <u>disaggregated</u> LCR within the TAC	LSEs must meet the <u>aggregated</u> LCR for the TAC
Outages	None	Determines which RA resources require RA substitution capacity given their availability
Local DR Credit	Yes	No
Validation Process for Years 2 and 3	Yes	No

#### **Additional Considerations**

- CAISO has proposed limitations (similar concept as the MCC buckets) on energy-limited resources to meet the LCR
- CAISO allows a local resource to be used for system RA only
- LCR uses a 1-in-10 summer peak load forecast while system and flexible RA uses a 1-in-2 load forecast
- LCR currently identifies the minimum quantity of local capacity needed at peak
  - But the minimum <u>capacity</u> and minimum <u>energy</u> needed to meet the applicable criteria for different hours, blocks, and seasons varies from the peak

### **Proposal for Local RA Process**

# **Working Group Process**

- PG&E believes the CAISO is best-suited as a co-lead in the Working Group process
- Strawman Scoping Memo Issues:
  - How should the Commission/CAISO credit respective entities their local RA obligations? August versus monthly NQC?
  - What procedural mechanism(s) should be adopted by CAISO to support multi-year local RA requirements?
  - How should the Commission/CAISO address the concerns of energylimited resources?
  - Should the Commission/CAISO differentiate between a system and local NQC?
  - What mechanisms would help minimize deviations in local RA requirements determined by CAISO?
  - How should CAISO provide DR credit for slow response DR?