



# **Planning Reserve Margin Reform Track Workshop August 17, 2022**

# PRM Considerations

- The PRM is a function of the resource mix, capacity counting rules, and the load forecast
  - As shown in the 2022 LOLE study, higher resource QC values lead to higher PRM for the same portfolio
  - As shown in IRP PCAP LOLE study, using gross load, which is higher than managed load, leads to a lower PRM
  - It is difficult to quantify the level of uncertainty that should be accounted for in the PRM rather than in resource capacity counting
- How a single-value PRM will be converted to PRM that applies to a 24-slice framework will be crucial to maintaining reliability
  - Will the 24-slice framework result in a portfolio that is a subset of the portfolio chosen in the IRP study due to counting methodology differences?
  - If so, will the RA PRM result in a system that meets 0.1 LOLE?
- Is a 24-slice PRM appropriate for the CAISO's validation process?

# Proposed PRM Principles

- D.04-01-050's 15%-17% PRM range is not applicable to the current resource mix or to the 24-slice framework
- The RA PRM should seek to reduce, not exacerbate, administrative complexity
- Resource counting methodology and the RA portfolio mix affect PRM, and the PRM that achieves a 0.1 LOLE for one resource mix may not do the same for a different resource mix
- How the IRP and 24-slice PRMs are derived, and what they (and their associated programs) are intended to accomplish, should be understood so that the IRP PRM to 24-slice PRM conversion is appropriate