

California Community Choice Association

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Contact

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1. Please provide a summary of your organization's comments on the Generation Deliverability Methodology Review stakeholder call.

The California Community Choice Association (CalCCA) appreciates the opportunity to provide the following comments in response to the California Independent System Operator's (CAISO) Deliverability Assessment Methodology Straw Proposal. CalCCA is encouraged by some elements of the proposal but suggests that the CAISO take a more aggressive approach to unlocking additional deliverability considering the urgent need to bring new resource adequacy (RA) capacity online to meet load-serving entities' (LSEs) RA compliance obligations, integrated resource planning (IRP) compliance obligations, and the state's clean energy policies. Reliability is a key tenant of the process, but CalCCA encourages the CAISO to consider the various other "reliability-based" studies that include stressed system conditions such as the Generator Interconnection Process (GIP) and the annual Transmission Planning Process (TPP). Both of these study processes address stressed system conditions and associated reliability pursuant to North American Electric Reliability Corporation (NERC) Reliability criteria and are better suited to address large-scale upgrades.

The deliverability methodology is used in the generator interconnection study process to assign Full Capacity Deliverability Status (FCDS) enabling the specific generator to provide RA and to realize the associated revenue stream; a revenue stream that in most cases is required by the off-taker or to make the project economically viable. CalCCA understands that during stressed system conditions, not all supply is coming from RA resources and that in some cases RA resources are operating above their Net Qualifying Capacity (NQC) level. Applying less stringent criteria will enable a greater volume of FCDS to be allocated without unduly jeopardizing reliability. CalCCA provides the following recommendations, described in more detail in sections 2-7 below:

- Eliminate the Secondary System Need (SSN) study;
- Limit RA resource dispatch levels to their NQC;
- Perform a limited-scope analysis looking at the potential benefits and reliability impacts of limiting existing RA resources to their NQC to determine the benefit of increased allocation of FCDS.
- Raise the DFAX from five percent to ten percent for 500 kilovolt (kV) lines and expand this change to include transformers (500 kV high side banks);

Perform a limited-scope analysis to understand the benefit versus the risk of eliminating N-2 contingency criteria; and

- Provide more information regarding how conditionally deliverable megawatts (MW) will be counted towards RA plan accounting.

2. Provide a summary of your organization's comments on the proposed removal of secondary system need from generation interconnection deliverability studies, as described in the straw proposal.

CalCCA agrees with CAISO that the elimination of the SSN study is a prudent step that may increase the volume of deliverability allocations. Considering the high level of energy storage projects entering the interconnection queue as well as proposed photovoltaic facility augmentation with storage the SSN is likely to diminish over a relatively short time. This, coupled with increasing the storage values to 50 percent in the studies from 30 percent, will further mitigate the SSN.

3. Provide a summary of your organization's comments on the maintaining the methodology for determining dispatch levels, as described in the straw proposal.

CalCCA suggests that the dispatch levels for RA resources be set at their NQC levels and no higher. The purpose of the deliverability study is to qualify/validate resource volumes that can be used for RA accounting purposes. While it may be possible for some resources (wind and solar) to achieve an output in excess of their NQC, assuming this in the deliverability study precludes other projects within the area to be allocated capacity. At present, we have a shortfall of RA-qualified resources. By limiting those existing RA resources to amounts proven to be available (NQC) and no higher, additional projects will be allocated capacity that can be available to LSEs.

It would be very informative if the CAISO could perform a limited scope analysis looking at the potential benefits of limiting existing RA resources to their NQC to determine the benefit of increased allocation of FCDS.

4. Provide a summary of your organization's comments on the proposed increase to 10% DFAX threshold for 500 kV line overload constraints, as described in the straw proposal.

CalCCA agrees with the CAISO and BAMx that raising the DFAX from five percent to ten percent for 500 kV lines provides a more practical threshold. Further, CalCCA suggests that this be expanded to include transformers (500 kV high side banks) that may be experiencing overloading as these are generally key elements in delivering energy from transmission-constrained areas to load centers. This change coupled with more aggressive "policy upgrades" coming out of the TPP will ultimately increase overall deliverability and availability of RA.

5. Provide a summary of your organization's comments on the proposed changes to treatment of n-2 studies and mitigation requirements, as described in the straw proposal.

CalCCA is encouraged by the CAISO's effort related to conditional deliverability, described in section 6 below, but suggests that for Generator deliverability objectives here, including N-2 is redundant as it is already addressed in the long-range TPP as well as the GIP.

NERC reliability criteria are met via the TPP whereas the GIDAP (Generator Interconnection and Deliverability Process) is an indication where upgrades may be needed based on aggressive development efforts. N-2 is an extreme situation for the transmission system with low probability. Including N-2 Contingencies unnecessarily limits the allocation of FCDS, which compromises the development of mostly RPS resources. As we have seen in recent TPP, the planning process will identify and implement new transmission as needed to meet state policy, which will address N-2 issues.

FCDS assigned via the GIDAP has a key role in the development of renewables and other needed resources. Less restrictive criteria for the deliverability methodology are acceptable because the more restrictive criteria are considered in other CAISO studies. As noted above under section 2, a limited scope analysis would be very informative to understand the benefit versus the risk of eliminating N-2 contingency criteria.

6. Provide a summary of your organization's comments on revising the ADNU/LDNU Guidelines, as described in the straw proposal.

CalCCA has not formulated specific input for the CAISO regarding ADNU/LDNU Guidelines as of the date of these comments. We look forward to the CAISO's proposal on this matter and will assess and provide comments as needed.

7. Provide a summary of your organization's comments on the proposed conditional deliverability based original schedules during delayed deliverability upgrades, as described in the straw proposal.

CalCCA supports any measure by the CAISO to assign interim or conditional deliverability. RA capacity is extremely scarce and assigning conditional deliverability while upgrades are in progress could expand the RA supply stack at a time when it is much needed. However, more information is needed to understand how these conditionally deliverable MW will be counted towards RA plan accounting as well as IRP compliance obligations. Additionally, it is critical that tariff provisions and policies surrounding "conditionality" be clear and allow for clean contracting for RA. CCAs generally require certainty around the deliverability status of projects before signing Power Purchase Agreements (PPAs) so they are assured the projects can count towards their RA and IRP obligations. It would be unacceptable for an LSE to contract for RA that is conditional, to have it somehow become unavailable for RA or IRP accounting in the future.

CalCCA provides the following suggestions and comments:

1. Conditional deliverability should be based on a counterfactual calculation of the total deliverability available without N-2 contingencies or PTO delays.
 - a. Unlike interim deliverability, conditional deliverability should not be based on the amount of existing deliverability available before an ADNU is executed—it should be based on the counterfactual scenario.

2. Conditional deliverability should be reassessed for all queued projects at each GIDAP, allowing projects that may have received partial capacity deliverability status (PCDS) from conditional deliverability to increase depending on TPP upgrades or updated PTO schedules.
3. Unlike interim deliverability, conditional deliverability should be offered immediately and notification should not be dependent on a project's commercial operation date (COD). This would make conditional deliverability contractable.
4. Any N-2 projects that require approval to unlock conditional deliverability should be clearly identified in the GIDAP results for a project. The PTO timing assumptions for a project for determining delay-related conditional deliverability should also be very visible and locked in after the interconnection agreement is signed.