

California Community Choice Association

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Contact

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1. What additional clarifications would be helpful from the CAISO that were not already covered in the November 8 workshop?

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the California Independent System Operator's (CAISO) November 8, 2023, workshop on Slice-of-Day (SOD) near-term implementation. CalCCA's primary near-term concern is ensuring that if a load-serving entity (LSE) complies with SOD at the California Public Utilities Commission (CPUC), the LSE will also comply with the CAISO's resource adequacy (RA) program without the LSE having to take additional procurement actions. The CAISO should confirm whether LSEs will definitively meet CAISO RA requirements if they meet SOD requirements. If not, the CAISO should take additional steps to minimize the need for CPUC-jurisdictional LSEs to meet two different compliance obligations.

As CalCCA understands the CAISO's proposed steps for validating RA showings under SOD, if LSEs meet CPUC SOD requirements, they will meet CAISO RA requirements in *most* instances. There could be situations when an LSE shows storage for less than four hours and more than its capacity at four-hour duration in which the storage would count for less at CAISO than it would at the CPUC. These situations have the potential of creating two compliance paradigms by only counting storage at its four-hour duration, when the CPUC would allow storage to count at durations less than four hours. The CAISO should work with the CPUC to develop a uniform minimum duration used in CAISO and CPUC processes so it is consistent between the two programs.

2. Are there any gaps that have not been covered that result in a near-term compliance risk? Please elaborate on the issue and impact.

There are two gaps that have not been sufficiently addressed by CAISO:

First, the way the CAISO proposes to require maximum import capability (MIC) is inconsistent with how import resources can be shown under SOD. The CAISO plans to require MIC for the amount of NQC shown in the one hour the CAISO will validate, regardless of whether the import is shown in that hour or not, or if the import is shown for more or less capacity in other hours. Requiring showings of MIC in this manner may under or over-utilize MIC. This is because, under the CPUC's SOD counting rules, non-resource specific imports can count in the hours specified in their contracts. If an LSE shows a solar import during the daylight hours and a gas resource in all 24 hours, assuming the solar resource is unavailable during the hour the CAISO validates, the CAISO would effectively only require MIC for the gas resource, even though both the solar and the gas would be shown for non-zero values during the daylight hours. Conversely, if an LSE shows two storage imports, one in the morning ramp and another in the evening ramp, the CAISO would require MIC that totals the net qualifying capacity (NQC) of the two storage resources, even though they do not overlap in any hour on the LSE's RA showing. The CAISO's planned MIC requirements under SOD will result in requiring more or less MIC than required to import out-of-state RA resources.

Second, the CAISO provides very little information about how it will make capacity procurement mechanism (CPM) decisions under SOD. It indicates that it will CPM "[b]ased on shown RA (up to NQC value)." This level of detail is insufficient for a long-term solution to assessing the need for CPM and allocating CPM costs. The CAISO must discuss with stakeholders how it should conduct backstop once CPUC jurisdictional LSEs are subject to SOD and non-CPUC jurisdictional LSEs are not. Ensuring all local regulatory authorities (LRA) bring their share of RA capacity necessary to meet reliability needs in all hours will be an important consideration, especially considering the CAISO's responsibility to administer the different RA programs adopted by each LRA. LRAs have their own definitions, methods of measurement, and planning standards for their RA programs. Assuming the CAISO and non-CPUC LRAs do not shift to a SOD RA program like the CPUC has, the CAISO needs some other way to determine whether each of the different RA programs results in an RA fleet that is

available when and where needed to meet reliability needs in all hours, not just the single hour the CAISO currently checks for compliance.

3. Does your organization have any additional feedback on 2025 Slice of Day Implementation related to CAISO processes?

CalCCA has no additional feedback at this time.