



Energy Division Staff Proposal: Elimination of MCC Buckets



February 7, 2017
Resource Adequacy and Procurement Oversight

California Public Utilities Commission





Summary of Staff Proposal

- Staff proposed to eliminate the maximum cumulative capacity (MCC) buckets.
- The original purpose of the MCC buckets was to ensure that load serving entities (LSEs) did not rely too heavily on resources with limited availability.
- In practice, however, the MCC buckets, as configured, do not prevent overreliance on use limited resource because they only apply to contractual provisions, not physical use limitations.





Summary of MCC Buckets

Category	Resources may be categorized into one of the five categories shown below, according to their planned availability as expressed in hours available to run or operate per month (hours/month):
DR	Demand Response resources available for “greater than or equal to” 24 hours per month.
1	Greater than or equal to the ULR [Use Limited Resource] monthly hours. These are for May through September, respectively: 30, 40, 40, 60, and 40.
2	“Greater than or equal to” 160 hours per month.
3	“Greater than or equal to” 384 hours per month.
4	All hours (planned availability is unrestricted)





August 2016 Filing

	Maximum Cumulative Capacity Allowed	August Requirement Cumulative	August Showing (MW)	August Showing (%)
Bucket 1	16.21%	8,166	305	<1%
Buckets 1 & 2	21.71%	10,937	2,715	5.4%
Buckets 1, 2 & 3	33.76%	17,003	5,216	10.3%
Bucket 1, 2, 3, 4 & DR	n/a	50,367	50,558	100%





Summary of Party Comments

- Many parties remain concerned about over-reliance on use-limited resources (WPTF, NRG, Calpine).
- CAISO conditionally supports, provided a “viable alternative is put in place to ensure that the RA portfolio has the right attributes and availability to maintain reliability.”





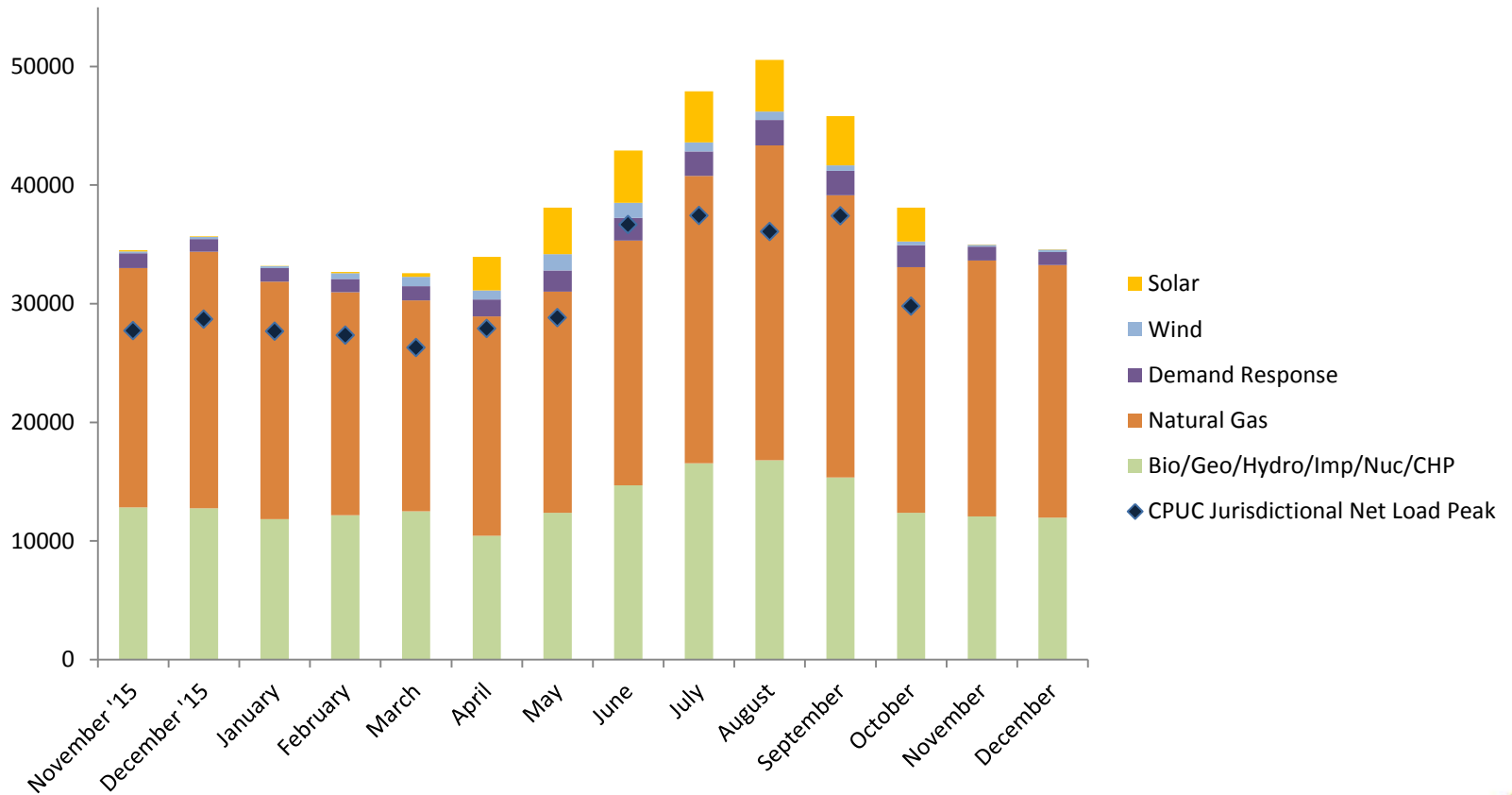
Questions

- What do parties mean by over-reliance on use limited resources?
 - What resources?
 - What constitutes over-reliance?
 - How would you evaluate this (load duration curve, other?)?
- What would a reasonable alternative look like?





Current RA Resources





Questions?