R.17-09-020 Working Group Meeting

Path 26
Dispatchability
Seasonal Local Requirements

October 23, 2017

California Public Utilities Commission

WebEx and Teleconference Info

Web Conference Information
Meeting Number: 742 192 900
Meeting Password: !Energy1

To start or join the online meeting:
Go to:
https://van.webex.com/van/j.php?MTID=m6adab3b423a88e89826f930521fe9dac

Telephone Only Participation
Teleconference Number: (866) 811-4174
Participant Code: 4390072#

Note: All phones will be in listen only mode. Please raise your hand through WebEx if you have a question or comment.

Restrooms & Evacuation Procedure

Restrooms are at the far end of the hallway.

In the event of an emergency evacuation, please cross McAllister Street, and gather in the Opera House courtyard down Van Ness, across from City Hall.

Workshop Purpose and Goals

- D.17-06-027 instructed Energy Division to have working groups on five topics.
  - Three discussed today. Weather sensitive DR and behind the meter resource counting will be discussed 11/7.
- Open discussion to find areas of agreement and move towards consensus proposals.

Workshop Agenda

10:00 - 10:10 am	Introduction & Ground Rules, Review Agenda and Goals
10:10 - 11:30 am	Path 26
11:30 am - 12:30 pm	Definition of Dispatchability
12:30 - 1:30 pm	Lunch
1:30 – 3:00 pm	Seasonal Local Requirements
3:00 - 4:00 pm	Next Steps/Q&A

Path 26 Requirement

Preliminary Path 26 Analysis

- If Local requirements are met and other contracted resources are shown (wind, solar, DR, UOG), is it possible to exceed the Path 26 requirement? If so, by how much?

2018 Northern Resources

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2017 RA Requirement	**14,802**	**14,152**	**13,693**	**13,225**	**15,380**	**18,609**	**19,691**	**20,427**	**17,396**	**15,435**	**14,248**	**14,914**
Bay Area	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160	5,160
PG&E Other	5,561	5,561	5,561	5,561	5,561	5,561	5,561	5,561	5,561	5,561	5,561	5,561
System Solar	0	31	136	433	398	584	544	535	436	383	53	0
System Wind	25	38	40	69	67	104	65	58	58	19	18	33
System UOG	3,925	3,958	4,040	3,827	3,780	3,969	3,852	3,792	3,754	3,724	3,820	3,872
System DR	215	221	224	238	262	267	267	278	264	253	224	214
Total	**14,886**	**14,970**	**15,161**	**15,288**	**15,228**	**15,645**	**15,448**	**15,384**	**15,233**	**15,100**	**14,837**	**14,841**
Difference	**-84**	**-818**	**-1,468**	**-2,063**	**152**	**2,964**	**4,243**	**5,043**	**2,163**	**335**	**-589**	**74**
Northern Import Allocation	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Difference	**-1,484**	**-2,218**	**-2,868**	**-3,463**	**-1,248**	**1,564**	**2,843**	**3,643**	**763**	**-1,065**	**-1,989**	**-1,326**
Path 26 Allocation (S-N)	**4,194**											

2018 Southern Resources

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2017 RA Requirement	**17,638**	**17,226**	**16,479**	**17,711**	**19,482**	**20,777**	**24,346**	**26,659**	**25,857**	**21,717**	**18,299**	**18,719**
LA Basin	7,525	7,525	7,525	7,525	7,525	7,525	7,525	7,525	7,525	7,525	7,525	7,525
Big Creek/Ventura	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321
San Diego-IV	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833
System Solar	0	125	540	1,725	1,585	2,323	2,163	2,127	1,735	1,528	213	0
System Wind	356	546	577	990	965	1,498	937	836	836	278	265	479
System UOG	429	429	430	436	447	456	446	440	432	430	430	429
System DR	90	114	110	101	121	132	133	138	124	121	99	85
Total	**14,554**	**14,893**	**15,337**	**16,931**	**16,797**	**18,088**	**17,358**	**17,221**	**16,806**	**16,035**	**14,686**	**14,672**
Difference	**3,084**	**2,333**	**1,142**	**780**	**2,685**	**2,689**	**6,988**	**9,439**	**9,051**	**5,681**	**3,613**	**4,047**
Southern Import Allocation	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Difference	**634**	**-117**	**-1,308**	**-1,670**	**235**	**239**	**4,538**	**6,989**	**6,601**	**3,231**	**1,163**	**1,597**
Path 26 Allocation (N-S)	**3,419**					**Remainder:**	**1,119**	**3,570**	**3,182**			

Questions

- What are we missing in this analysis?
- Is there still a need for a Path 26 requirement given introduction of Local Requirements and MRTU?
- What reliability issues are expected if the requirement is removed? What is their magnitude?
- What are the costs/benefits of removing the requirement?

Next Steps

- Additional analysis by CPUC or CAISO?
- Proposal?
- Informal comments?
- Further discussion?

Definition of Dispatchability

Uses/Definitions

- Determination of NQC values
  - Dispatchable: NQC=Pmax
  - Non-dispatchable: NQC based on historical production
  - Pre-dispatch: CHP and biomass NQC based on amount bid or self-scheduled in day-ahead market
  - ELCC for solar and wind regardless of dispatchability
- Eligibility for EFC value
- Based on flag in CAISO Master File

Questions/Considerations

- What inconsistencies are there in how CPUC and CAISO define dispatchability?
  - Must a resource participate in the real-time market?
  - Can intermittent resources be dispatchable?
  - Can QF resources be dispatchable?

Next Steps

- Do we need further discussion of this topic? If so, what forum?

Seasonal Local Requirements

Proposal

- Currently, the local RA requirement is an annual requirement for all 12 months.
- Proposal: Local RA requirements to be established on a seasonal basis.

Parties' Comments

- AReM: supported PG&Es proposal "because it would provide LSEs with additional flexibility in procuring RA and reduce the potential for over procurement."
- SDG&E: supported PG&E's proposal. "The question of what Local NQC values would be utilized to meet the seasonal Local RA requirements is integral to implementation of the proposal to set local RA needs on a seasonal basis."
- SCE: the "Commission and CAISO should study the results of moving to a seasonal local RA requirement. However, any decision about whether to adopt seasonal requirements should not be done until the implications of the change are known." AReM concured with SCE's recommendation.

Parties' Comments

- Calpine: "does not oppose PG&E proposal as long as seasonal local RA requirements "are based on sound analysis that reflects seasonal load and resource conditions. The savings PG&E envisions from a transition to seasonal local requirements may not materialize."
- TURN: "this proposal has been raised in prior RA dockets and that the CAISO has in the past had significant concerns regarding this proposal. Nevertheless, TURN also recommends the Commission review this aspect of its RA program in Phase 3."

Parties' Comments

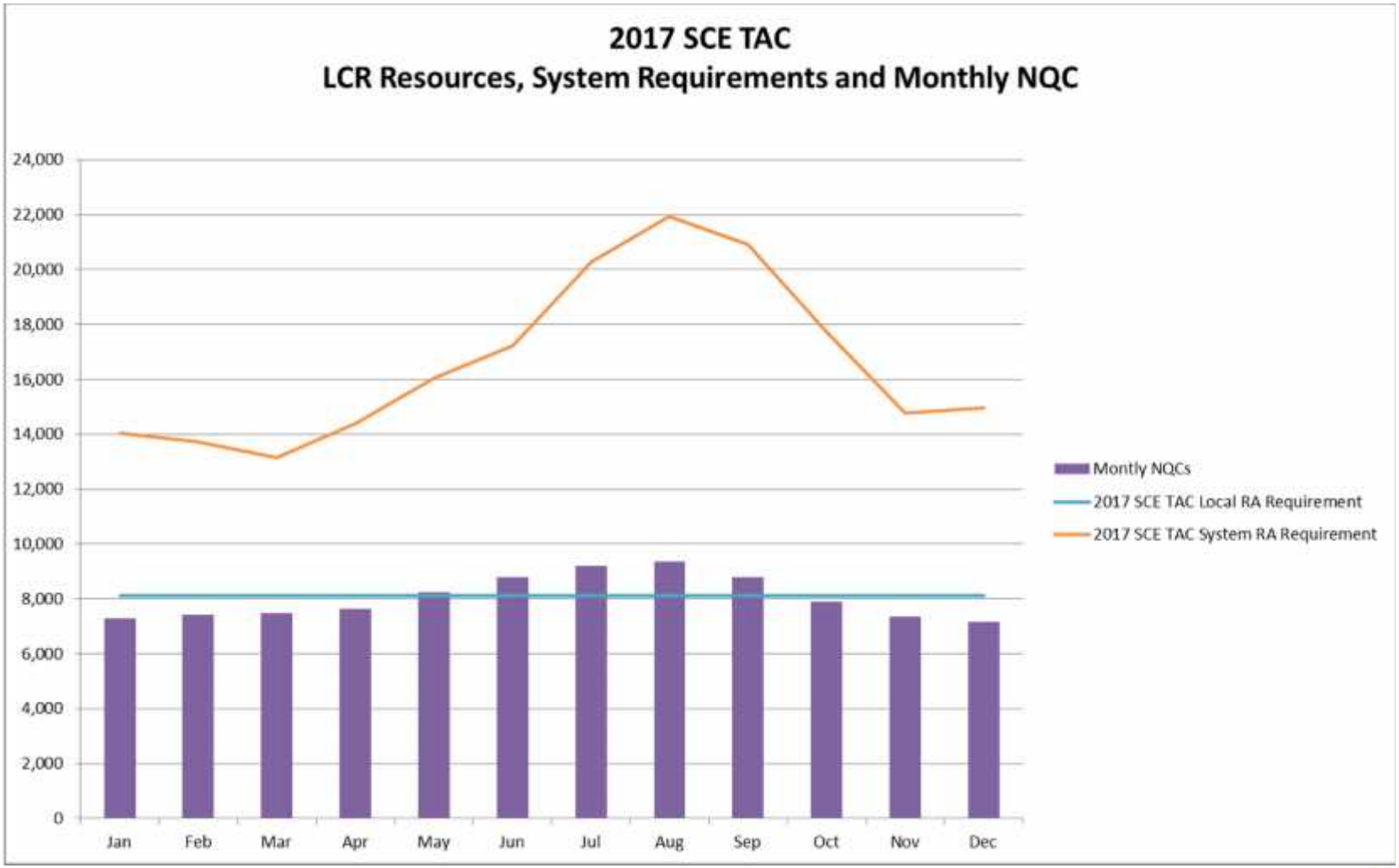
- CAISO: "seasonal local RA requirements would present serious implementation challenges, and implementing these changes could radically affect the local RA process and result in minimal benefits or even counterproductive consequences. A seasonal local capacity requirement study would likely not provide cost savings because resources must still their recover fixed costs regardless of the length of the local capacity contract. It could result in the CAISO relying on its backstop capacity procurement mechanism to a greater degree."
- WPTF: "it is likely that the potential savings claimed by PG&E are illusory. Generating facilities need to be staffed year round, meaning fixed costs would be unchanged by a move to seasonal LCRs. If a facility sells less in off season and more in peak season, this simply affects revenue flow rather than accomplishing any meaningful cost reduction."

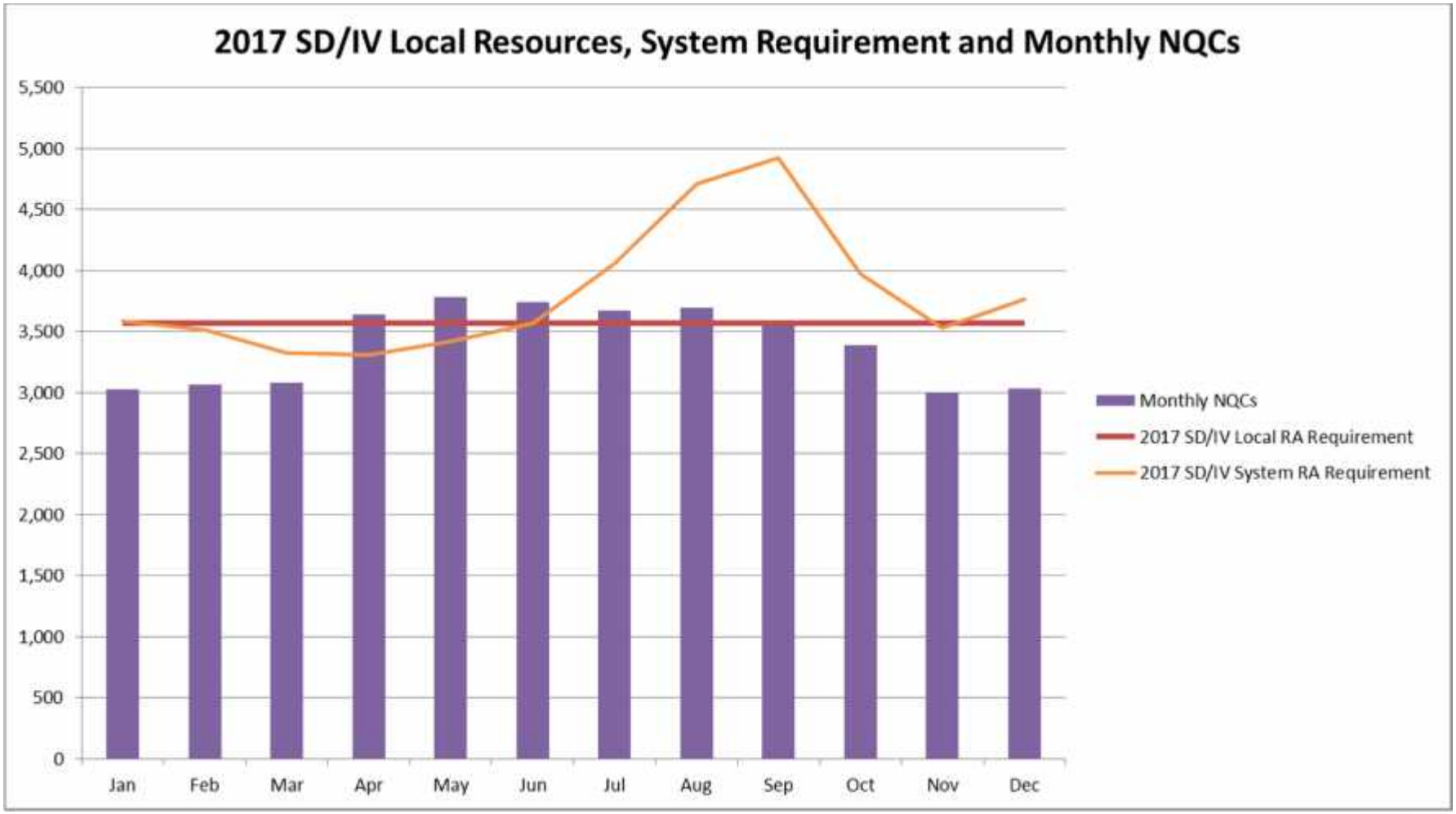
Parties' Comments

- PG&E: "supports the proposal that the CAISO and the Energy Division investigate more fully what additional studies will be required to establish seasonal local RA requirements."

Issue #1: August v. Monthly NQCs for Local RA

- CPUC validates based on August NQCs for local
- CAISO validates based on monthly NQCs for local
- Issue: for variable or use-limited resources (e.g., DR) that vary each month, should LSEs be required to procure additional local in the monthly time-frame (recall that the local process is an annual process)
- Magnitude of this potential issue is shown in following slides


2017 SCE TAC
LCR Resources, System Requirements and Monthly NQC
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Montly NQCs
2017 SCE TAC Local RA Requirement
2017 SCE TAC System RA Requirement


2017 SD/IV Local Resources, System Requirement and Monthly NQCs
5,500
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Monthly NQCs
2017 SD/IV Local RA Requirement
2017 SD/IV System RA Requirement

Issue #2: CAISO's 2013 SD Seasonal LCR Study

- 2013 SDG&E LCR Requirements
  - Load: 5,114 MW
  - SD Sub-Area LCR: 2,570 MW
  - SD/IV LCR: 2,938 MW
- 2013 Off-Peak Assessment (1 transmission and 2 resources on maintenance)
  - Load: 3,871 MW (October 1-in-10)
  - SD Sub-Area LCR: 1,777 MW + 500 - 600 MW of RA Resources on Planned Maintenance = 2,227-2,377
  - SD/IV Sub-Area LCR: 2,498 MW + 500 – 600 MW of RA Resources on Planned Maintenance = 2,998 – 3,098 MW
- 2018 SDG&E LCR Requirements
  - SD Sub-Area LCR: 2,157 MW
  - SD/IV LCR: 4,032 MW

Questions

- Should validation be done on August or monthly NQCs?
- Should the CPUC and CASIO have consistent methodologies?
- Would resolution of this issue of monthly NQCs obviate the need for consideration of seasonal local requirements?
- What are the costs and benefits of adopting August v. monthly NQCs or seasonal local requirements?

Next Steps

- Additional analysis by CPUC or CAISO?
- Informational comments?
- Further discussion?

Action Items/Next Steps/ Questions

R.17-09-020 Schedule

Date	Event
10/23/2017	Workshop-Path 26, Deliverability, Seasonal Local Requirements
10/30/2017	Comments on OIR
11/7/2017	Workshop-Behind the meter resources, weather sensitive DR, comments on OIR
11/9/2017	Reply Comments on OIR
11/15/2017	PHC
Dec-17	Scoping Memo
Feb-18	Party Proposals
Mar-18	Comments on Proposals

Backup Slides

2018 Import Allocations

PG&E Northern		SCE Southern		SDG&E Southern	
AMARGO ITC	1	BLYTHE BG	10	BLYTHE BG	6
CASCADE BG	76	ELDORADO ITC	71	IID-SDGE	150
COTPISO ITC	30	IID-SCE	241	N.GILABK4 BK	55
PACI MSL	887.26	MEAD ITC	338.06	PALOVRDE ITC	123.57
MERCHANT BG	5.5	PALOVRDE ITC	1455.29		
NOB ITC	400				
TOTAL	**1399.76**		**2115.35**		**334.57**

http://www.caiso.com/Documents/2018HoldersImportCapability.pdf