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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Refinements, and Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years.	Rulemaking 17-09-020 (Filed September 28, 2017)

COMMENTS OF MIDDLE RIVER POWER, LLC, ON CALIFORNIA ISO'S DRAFT FLEXIBLE CAPACITY NEEDS ASSESSMENT AND LOCAL CAPACITY TECHNICAL ANALYSIS FOR 2020

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April 18, 2019

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Middle River Power, LLC ("MRP"), submits the following brief comment on the California Independent System Operator Corporation's ("CAISO") Draft Flexible Capacity Needs Assessment and Local Capacity Technical Analysis for 2020 ("draft 2020 study" or "the study"), which was submitted to the Commission on April 4, 2019. MRP's limited comment focuses on the local capacity technical study, Attachment B to the CAISO filing.

I. COMMENTS

It is clear the CAISO has completed extensive work, and the draft 2020 study results demonstrate a clear path for local requirements over the next several years. MRP supports the study and its overall results; however, MRP has some questions regarding the study's treatment of solar and other variable energy resources that are used to determine overall area resource adequacy needs. In the 2020 Local Capacity Needs table of Attachment B, solar-generated capacity is included within Net Qualifying Capacity ("NQC") but clearly not accounted for in

"Capacity Availability at Peak."[1] For example, the total NQC available for the San Diego/Imperial Valley area is 4,334 MW, while the Capacity Available at Peak is 3,895 MW. The difference is the solar NQC of 439 MW.

Based on this approach, MRP believes it may be appropriate to further study the Effective Load Carrying Capability ("ELCC") at a more granular scale to better understand the overall area and sub-area resource adequacy needs. Such an ELCC study should be consistent with the recent ELCC methodology proposed by the CPUC's Energy Division, but it should also distinguish between ELCC for system reliability versus local capacity requirements. It stands to reason that in the local areas where the load peak occurs after sunlight hours, the local area-specific ELCC of the applicable solar generation resources would approach zero, but the system-generic ELCC is as determined by the Energy Division's current methodology. This additional study would bridge the gap between the solar and variable energy resources being utilized or having a zero value for capacity and overall local NQC values as compared to the existing system NQC values. This is intended to provide additional market clarity and maintain consistency across the resource adequacy process. The results will demonstrate a more true and clear picture of the resource adequacy needs of each local area and sub-area while helping streamline the procurement process.

[1] Cal. ISO, *Draft Flexible Capacity Needs Assessment and Local Capacity Technical Analysis for 2020*, Attachment B, April 4, 2019, p. 2. Note, this 2020 Local Capacity Needs table titles the relevant column Qualifying Capacity, although MRP interprets it to actually be referencing the NQC.

II. CONCLUSION

MRP appreciates the opportunity to submit these comments for the Commission's consideration.

Respectfully Submitted,

/s/ *Joseph Greco*
April 18, 2019