



FILED

05/20/19
04:59 PM

**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.

R.17-09-020
(Filed September 28, 2017)

**COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) ON
FLEXIBLE CAPACITY NEEDS ASSESSMENT FOR 2020 AND
FINAL 2020 AVAILABILITY ASSESSMENT HOURS**

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Dated: May 20, 2019

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I. INTRODUCTION

Pursuant to the *Administrative Law Judge’s Ruling on Final Flexible Capacity Requirement Report*, dated May 6, 2019, and the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Pacific Gas and Electric Company (“PG&E”) respectfully submits these comments on the California Independent System Operator Corporation’s (“CAISO”) Flexible Capacity Needs Assessment for 2020 (“Final 2020 FCR Report”) and Final Availability Assessment Hours (“Final 2020 Availability Assessment Hours Report”), filed on May 15, 2019.

II. DISCUSSION

A. CAISO SHOULD ALIGN THE DEFINITIONS OF SUMMER AND WINTER MONTHS IN THE FINAL 2020 FCR REPORT AND THE FINAL 2020 AVAILABILITY ASSESSMENT HOURS REPORT

As determined in the CAISO’s Final 2020 Availability Assessment Hours Report, the final availability assessment hours (“AAH”) applicable to system and local resource adequacy (“RA”) are recommended to be between hour ending (“HE”) 17 and 21 for both the summer and winter months of the 2020 RA compliance year.¹ The CAISO has determined that the summer months for the system and local RA AAH shall cover the months of April through October while the winter months shall cover the months of November through March.² This differs from the summer and

¹ CAISO Final 2020 Availability Assessment Hours Report, p. 11.

² *Id.*, p. 12.

winter months for flexible RA AAH because the summer months for flexible RA AAH cover the months of May through September, while the winter months cover the months of October through April.³ As an additional complicating matter, the Commission requires load serving entities (“LSEs”) to demonstrate that sufficient capacity has been procured for 90% of the total forecasted load plus the 15% planning reserve margin for the “five summer months of May through September” in the year-ahead compliance filing process.⁴

To promote consistency among the definitions and requirements, PG&E requests that the CAISO align the definitions of the summer and winter months in the Final 2020 Availability Assessment Hours Report and the Final 2020 FCR Report. Specifically, PG&E proposes that the CAISO modify (1) the summer months for the system and local RA AAH set forth in the Final 2020 Availability Assessment Hours Report so that they cover the months of May through September and (2) the winter months for the system and local RA AAH set forth in the Final 2020 Availability Assessment Hours Report so that they cover the months of October through April. The proposed changes to the system and local RA AAH summer and winter months in the Final 2020 Availability Assessment Hours Report will ensure alignment with the flexible RA AAH in the Final 2020 FCR Report and the Commission’s requirement of LSEs in the year-ahead compliance filing process. PG&E does not anticipate any material adverse impacts of its recommendation given that the AAH for system and local RA does not change throughout the 2020 RA compliance year.

B. THE CAISO SHOULD USE ALL AVAILABLE DATA TO DEVELOP ITS ESTIMATES OF GENERATION FROM RENEWABLE SOURCES OF POWER

In developing its estimates of flexible capacity needs, it appears that the CAISO currently relies only on data it collects from LSEs regarding renewables under contract. It does not appear

³ CAISO Final 2020 FCR Report, p. 4.

⁴ 2019 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings, issued October 3, 2018, *available at* <https://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=6442459140> (last visited May 20, 2019) , p. 5.

that the CAISO cross references this data against any other sources of data in its possession regarding wind and solar installations. Two examples of possible additional data sources in the CAISO's possession are the master file data associated with generation resources and the interconnection data associated with generation resources.

By solely relying on the results of surveys of LSEs to develop its estimates of renewable generation, the CAISO is, in effect, assuming that all wind and solar capacity is currently contracted with LSEs. This assumption may not be correct. Under the current approach, any wind or solar capacity that is not currently under contract with an LSE, but is operating in the CAISO markets, is unfairly benefitting from the integration services being provided by flexible capacity procured to meet the flexibility requirement.

To resolve this potential problem and ensure the most accurate estimates of generation from renewable sources of power, PG&E requests that the CAISO cross reference the survey data it obtains from LSEs regarding renewable generation contracted with LSEs against other data in the CAISO's possession when estimating the flexible requirements on a going forward basis.

C. PG&E ENCOURAGES THE CAISO TO MEASURE THE THREE-HOUR RAMP BASED ON A NET LOAD THAT EXCLUDES CURTAILMENT

The Final 2020 FCR Report states that “. . . the actual three-hour net load ramps may have curtailments present in the actual data used.”⁵ Further, the CAISO states that “. . . depending on the time of day the curtailments occur, it can have an effect on reducing the three-hour ramp by raising the ‘belly of the duck.’”⁶ PG&E agrees that using metered data that includes curtailed energy would indeed have the impact of underestimating the three-hour ramp and encourages the CAISO to use metered data that makes an adjustment to exclude curtailment. This will give the most accurate measurement of the ramp, especially in a future where renewables (and associated curtailment) are anticipated to constitute an increasing portion of the CAISO system.

⁵ CAISO Final 2020 FCR Report, p. 8.

⁶ *Id.*

PG&E requests that the CAISO account for curtailments in wind and solar resources when calculating the ramping requirements on a going forward basis.

III. CONCLUSION

PG&E appreciates the opportunity to provide comments on the CAISO's Final 2020 FCR Report and Final 2020 Availability Assessment Hours Report.

Respectfully Submitted,

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