

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Oversee the
Resource Adequacy Program, Consider
Program Refinements, and Establish Forward
Resource Adequacy Procurement Obligations..

Rulemaking 19-11-009
(Filed November 7, 2019)

**NOTICE OF EX PARTE COMMUNICATION BY
THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Article 8.4 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby files this notice of oral *ex parte* communications in the above captioned proceeding.

This filing provides a summary of an ex parte communication that occurred on June 4, 2021. The communication took place from 2:00 p.m. to 2:30 p.m. with Anand Durvasula, Legal and Policy Advisor to President Batjer. Anna McKenna, Vice President, Market Quality and Performance; Delphine Hou, Director, California Regulatory Affairs; and Jordan Pinjuv, Senior Counsel, participated in the communication by Webex on behalf of the CAISO.

The CAISO began the discussion expressing its support for President Batjer's June 3, 2021 *Assigned Commissioner's Ruling on Submission of Refreshed Effective Load Carrying Capability Study Results* (Ruling). The CAISO noted it would work with investor-owned utilities to submit the refreshed effective load carrying capability (ELCC) results consistent with the scheduling in the Ruling. The CAISO further noted that using a reliability-based counting methodology, such as ELCC, would allow the CAISO to make the appropriate filings at the Federal Energy Regulatory Commission (FERC) to waive the application of the resource adequacy availability incentive mechanism (RAAIM). This would then allow the Commission to direct investor-owned utilities to show demand response resources on supply plans rather than credit the capacity against the resource adequacy requirements.

The CAISO subsequently discussed the May 21, 2021 Proposed Decision to adopt 2022 resource adequacy requirements. Ms. McKenna noted the CAISO continues to be import dependent and capacity in the West is becoming increasingly constrained due to changes in the

fleet and weather events like those experienced in summer 2020. The CAISO reiterated its belief that the most prudent course of action is requiring all resource adequacy imports to secure firm transmission to the CAISO border so they are not at risk of curtailment during constrained hours.

The CAISO expressed concern with the Proposed Decision's finding that it is premature to consider requiring firm transmission for summer 2021. The CAISO noted there is no procedural vehicle for the Commission to consider further improvements for summer 2022 based on the results observed this summer.

To address these concerns, the CAISO recommended the Commission adopt the CAISO's proposal to resource adequacy imports to: (1) specify the source of generation, (2) provide high priority firm transmission on the last transmission leg to the CAISO system, and (3) meet attestation requirements to ensure they are committed to the contracting load serving entity. The CAISO also proposed resource adequacy imports should be required to provide a minimum availability of 16 hours a day, 7 days a week.

The CAISO noted its proposal for firm transmission is similar the Commission's currently existing resource adequacy import rules. Specifically, the Commission's existing rules, in place since 2005, provide that resource adequacy import contracts must either (a) be delivered on firm transmission or (b) specify a firm delivery point (*i.e.*, not seller's choice). The CAISO recommended that at minimum, the Commission should require a percentage of resource adequacy imports to be delivered on firm transmission, rather than simply specifying a firm delivery point under contract. The CAISO concluded by noting resource adequacy import delivery on firm transmission is critical as the CAISO faces increasingly challenging summer conditions dependent upon reliable import supply.

Finally, the CAISO discussed party proposals under consideration in Track 3B.2 of this proceeding. The CAISO continued to support its proposal to establish an unforced capacity (UCAP) metric for resource adequacy counting. The CAISO noted the need for additional studies and review through its stakeholder process and Commission workshops. The CAISO also expressed general support for joint proposal from Southern California Edison Company and the California Community Choice Alliance (SCE/CalCCA Joint Proposal) to establish resource adequacy requirements to serve the net peak load. The CAISO noted the SCE/CalCCA Joint Proposal could work well in tandem with the CAISO's UCAP proposal. In addition, the CAISO noted it continues to review Pacific Gas & Electric Company's "slice-of-day" proposal. The

CAISO explained that implementation details would be a key factor in determining whether elements of the “slice-of-day” proposal should be adopted. The CAISO noted the need for simplicity in implementation and enforcement under any future resource adequacy construct. The CAISO did not provide any written materials during the communication.

Respectfully submitted

By: /s/ Jordan Pinjuv

Roger E. Collanton
General Counsel
Anthony Ivancovich
Deputy General Counsel
Jordan Pinjuv
Senior Counsel
California Independent System
Operator Corporation
Folsom, CA 95630
Tel. 916-351-4429
Fax. 916-608-7222
Email: jpinjuv@caiso.com

Attorneys for the California Independent
System Operator Corporation

June 7, 2021