



## I. MOTION TO INTERVENE

AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA's interests in this proceeding cannot be represented by any other party, and its intervention is in the public interest.<sup>3</sup>

## II. COMMENTS IN SUPPORT

AWEA supports CAISO's Deliverability Enhancements Filing. This Filing is the product of a robust process conducted by CAISO, during which CAISO considered feedback from various stakeholders. The resulting package of tariff changes and modified deliverability assumptions have largely been supported throughout the stakeholder process. The modified assumptions that CAISO plans to use in the on-peak deliverability assessment are necessary to reflect the changing system conditions and needs of the grid, including the shifting of system peak demand to later hours of the day. The Filing also provides a mechanism for evaluation and approval of transmission upgrades that can help reduce excessive curtailment due to local transmission constraints as part of the Generator Interconnection and Deliverability Allocation Procedures ("GIDAP"). The Filing before the Commission includes a set of tariff changes to guide this mechanism, and outlines related changes to CAISO's assumptions for deliverability studies. This package of deliverability improvements offers a substantial benefit to all types of generation inside of CAISO, offers substantial benefits to customers, and supports the development of incremental Resource Adequacy ("RA") capacity on the CAISO grid. Therefore,

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<sup>3</sup> The views and opinions expressed in these comments do not necessarily reflect the official position of each of AWEA's individual members.

AWEA urges the Commission to approve the Deliverability Enhancements Filing with the requested effective date.

From the time the CAISO began discussing changes to its on-peak deliverability methodology over a year ago, AWEA expressed support for implementation of the modifications in a timely manner.<sup>4</sup> These changes are necessary to reflect the changing grid conditions, the new times of peak demand on the CAISO grid, and to better reflect resources' RA contribution within the deliverability study framework. As the CAISO filing points out, the inputs and modeling assumptions used for the on-peak deliverability assessment are not rates, terms, and conditions of service of the CAISO tariff.<sup>5</sup> Therefore, CAISO was not obligated to undertake a stakeholder initiative to implement the proposed changes to the on-peak deliverability assessment. AWEA appreciates that CAISO nevertheless opened a formal stakeholder initiative to review whether additional changes were necessary as a result of revisions to the inputs and assumptions in the on-peak deliverability assessment methodology.

During the stakeholder process, stakeholders, including AWEA, were concerned that there might be increased curtailment on the CAISO system as a result of the modified on-peak deliverability assumptions. Moreover, given the construct of CAISO's GIDAP and Transmission Planning Process ("TPP"), stakeholders had been concerned that potential transmission solutions for addressing excessive generation curtailment would not be studied, approved, and constructed until years after the generation projects came online. To address this concern, and help reduce excessive generation curtailment, CAISO is proposing modifications to its off-peak deliverability

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<sup>4</sup> AWEA-California (a project of AWEA) filed comments in CAISO's 2018-2019 Transmission Planning Process supporting the revised assumptions, but also urging CAISO to open a stakeholder process to address the potential for increased, and excessive, curtailments. Comments available here: <http://www.caiso.com/Documents/AWEAComments-GenerationDeliverabilityAssessmentMethodology-Dec182018.pdf>

<sup>5</sup> CAISO Deliverability Enhancements Filing at p. 4.

assessment methodology. The changes include formalizing the assessment through tariff references and enabling the GIDAP to be used to develop and approve local, off-peak deliverability network upgrades, if the interconnection customer wishes to fund those upgrades. AWEA supports the addition of an off-peak deliverability study reference within the CAISO tariff, and supports the proposed tariff language rendering the off-peak deliverability assessment more than merely informational.

Notably, CAISO cites the Fresno-Giffen example in the Deliverability Enhancements Filing.<sup>6</sup> This project was approved by the CAISO Board with a hefty 7.5 benefit-to-cost ratio. The project's reconductoring of a 70 kW radial transmission line was shown to produce \$49 million in benefits through avoided curtailment and congestion costs. But, under the CAISO's current TPP & GIDAP construct, the approval of this reconductoring would have to wait several years in order to be approved through the TPP. The off-peak deliverability assessment that CAISO is proposing in this Filing, and the associated ability to construct local, off-peak network upgrades, will allow similar types of upgrades to be approved and constructed years earlier - offering substantial benefits to ratepayers and generators going forward.

CAISO's proposal does not mandate that all generators fund local, off-peak deliverability upgrades, like the Fresno-Giffen reconductoring. Instead, it offers interconnection customers a choice of whether to fund these upgrades or not. This flexibility supports various development models, and allows each generator to individually assess the value of and need for these local upgrades to be constructed. In order to differentiate between resources that choose to fund these upgrades, and thus may face a competitive disadvantage relative to those that do not elect to fund these upgrades, CAISO proposes a new deliverability status: "Off-Peak Deliverability Status" or

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<sup>6</sup> Filing at p.22.

“OPDS.” All existing generators on the CAISO grid will be granted OPDS and an appropriate subset of interconnection customers in the CAISO queue will also be granted OPDS.<sup>7</sup> Future generators will have a choice to forego OPDS (and the ability to self-schedule) or to obtain OPDS and fund the associated local, off-peak network upgrades. Thus, all generators have an option to obtain OPDS and are treated equitably under the CAISO’s proposal.

AWEA expects that Load Serving Entities that purchase the output from generators in CAISO will require, through contract negotiations, generators to have OPDS. Thus, we expect most, if not all, generators in CAISO will have OPDS and will opt to fund the associated local, off-peak network upgrades. However, during the stakeholder process there were concerns raised about “free riders” that do not fund off-peak upgrades but still are able to benefit from them. To help address this concern, the Filing proposes to limit the ability of non-OPDS resources to self-schedule. Going forward, under the proposal, resources that lack OPDS would only be permitted to self-schedule in real-time market up to their existing day-ahead award. Generally, this self-scheduling “advantage” that CAISO proposes to grant OPDS resources, appears to offer minimal benefits in practice, but is important in principle. OPDS resources are likely to continue to economically bid into CAISO’s market and the ability self-scheduling is unlikely to drive resources to select OPDS. However, the provisions that CAISO has proposed do offer a solution for extreme situations. This limited mechanism, allowing only OPDS resources to self-schedule, could help to address extreme situations where a large (non-OPDS) generator may site next to an OPDS generator. In this instance, the ability of an OPDS generator to self-schedule can provide a “last resort” option for the OPDS generator to receive benefits from its choice to fund off-peak upgrades. The Commission should approve CAISO’s proposal as just and reasonable as it offers

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<sup>7</sup> Filing at p.30.

flexibility to generators on an equal basis, helps to address some free-rider concerns, and is unlikely to increase self-scheduling into the CAISO market.<sup>8</sup>

Finally, the Commission should also approve the proposed “one-time” modification to the Transmission Plan Deliverability allocation proposed in this Filing. The proposal would give priority to interconnection customers that can come online in a shorter period of time. This is appropriate given the need for incremental RA on the CAISO system in the near-term and AWEA supports its implementation.

As discussed above, AWEA offers its support for the Deliverability Enhancements Filing. The suite of changes discussed in CAISO’s Filing are just and reasonable and will help provide benefits to customers and market participants across the CAISO system. Therefore, we urge the Commission to accept the filing with a March 3, 2020 effective date. Additionally, AWEA echoes CAISO’s request that, at a minimum, the Commission issue a timely Order accepting the tariff revisions described in Sections III.A and III.D of the CAISO’s transmittal letter.

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<sup>8</sup> AWEA notes that the ability to self-schedule into a market is distinct from the ability to economically bid. Importantly, under CAISO’s Deliverability Enhancements Filing, all generators, regardless of deliverability status, would retain the ability to economically bid into the CAISO market down to the bid floor. Additionally, under CAISO’s proposal in the Deliverability Enhancements Filing, all generators, *regardless* of deliverability status, would still be able to eliminate real-time price exposure and ensure the ability to deliver day-ahead market awards by self-scheduling up to their existing day-ahead award. And, finally, all generators retain the *option* to self-schedule, by choosing to fund local, off-peak network upgrades. CAISO’s Filing offers non-discriminatory access to self-scheduling by applying the same rules and requirements to all generators, making this proposal just and reasonable and appropriate for Commission approval.

### III. CONCLUSION

WHEREFORE, AWEA respectfully submits these comments for the Commission's consideration, and urge the Commission to accept CAISO's Deliverability Improvement Filing with the requested effective date. AWEA reiterates CAISO's request that, at a minimum, the tariff revisions discussed in Sections III.A and III.D of the CAISO's transmittal letter be approved and effective as of March 3, 2020.

Respectfully submitted,

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