



Stakeholder Comments Template

Hybrid Resources Initiative: Straw Proposal

This template has been created for submission of stakeholder comments on the **Hybrid Resources Initiative, Revised Straw Proposal** that was held on December 17, 2019. The meeting material and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/HybridResources.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on January 14, 2019.

Submitted by	Organization	Date Submitted
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Please provide your organization's comments on the following topics and indicate your organization's position on the topics below (Support, Support with caveats, Oppose, or Oppose with caveats). Please provide examples and support for your positions in your responses as applicable.

1. Terms and Definitions

Please provide your organization's feedback on the proposed terminology and definitions as described in the revised straw proposal.

2. Forecasting

Please provide your organization's feedback on the forecasting topic as described in the straw proposal.

AWEA and AWEA-California continue to appreciate CAISO's proposal to allow hybrid resources to self-submit forecast schedules and appreciate the additional details demonstrating that day-ahead bids will be required, while self-submitted forecasts will

be utilized in the real-time market. This option to self-submit forecasts provides hybrid resource owners with flexibility in their operations. Therefore, AWEA continues to support CAISO's proposal to allow self-submission of forecasts for hybrid resources.

We look forward to continuing to explore the feasibility and practicality of net-to-grid operational forecasts, particularly any guidance CAISO might provide on how resources should forecast anticipate any market related charging or discharging operations of the storage component.

AWEA appreciates the additional context that was provided in the stakeholder presentation and meeting around "strategic forecasting" and the behaviors CAISO plans to monitor for in self-submitted forecasts. AWEA looks forward to the additional details or examples of "strategic forecasting" that CAISO offered to include in the next iteration of the Hybrid Resources Initiative proposal. Clearly defined parameters around the types of market behavior that CAISO is seeking to prevent are necessary to ensure hybrid resources are interacting with the market in a way that CAISO views as appropriate and beneficial.

AWEA also appreciates that CAISO was responsive to prior comments, requesting that the CAISO continue to offer to provide the forecast for the underlying VER component of hybrid resources.

3. Markets and Systems

Please provide your organization's feedback on the markets and systems topic as described in the revised straw proposal.

4. Ancillary Services

Please provide your organization's feedback on the ancillary services topic as described in the revised straw proposal.

5. Metering and Telemetry

Please provide your organization's feedback on the metering and telemetry topic as described in the revised straw proposal.

6. Resource Adequacy

Please provide your organization's position on the Resource Adequacy topic as described in the revised straw proposal.

In the September 2019 Straw Proposal, CAISO proposed a default Qualifying Capacity (QC) counting methodology for hybrid resources. AWEA supported the proposal CAISO put forward in the September Straw Proposal (which would have relied on the sum of the underlying QC of the resource components, limited to the interconnection rights). That approach appears to be a reasonable and sustainable approach to default QC rule for hybrid resources.

Since the Straw Proposal, the CPUC has put forward a Proposed Decision which would establish *interim* QC for hybrid resources. As AWEA-California commented in the CPUC docket,¹ the CPUC's proposed *interim* methodology is overly conservative, may understate the capacity value of hybrid resources, and may discourage hybrid resource configurations. A different approach is needed to ensure that the State can meet procurement targets, reliability requirement and policy goals at the least cost to consumers. AWEA-California's comments in the CPUC's Resource Adequacy docket asked the CPUC to align its interim methodology with the CAISO's September Straw Proposal.

Hybrid resources operating under a single resource ID can reliably operate above the QC of either device in most hours critical to system reliability. In other words, hybrid resources may be able to provide capacity up to their interconnection value and the CAISO's default counting methodology that will be memorialized in the CAISO tariff should reflect that. Moreover, many hybrid resource owners that are contemplating solar + storage hybrids are evaluating substantial oversizing of the panels on the DC side. Whereas for a stand-alone solar system, the oversizing may be about 130 MW of PV panels, for solar+ storage, the panels may be oversized to closer to 180 MW, because the excess generation from the incremental 50 MW of panels can be stored in the storage device. The "greater of" QC methodology for hybrids ignores this reality and unnecessarily restricts the QC of hybrid resources.

At a minimum, consistent with CAISO's own Reply comments² in the CPUC RA docket, the conservative counting approach should only apply to hybrid resources with ITC-related charging restrictions. And CAISO's future proposals should make this distinction clear, while ensuring CAISO's previously proposed "additive" approach applies to hybrid resources that do not have an ITC-related charge restriction.

While AWEA understands that the CAISO may typically wish to align its default counting methodologies with those of the CPUC, in this instance the CAISO should not incorporate an overly conservative methodology into the CAISO tariff. The methodology being considered for adoption by the CPUC is only an *interim* methodology and, if applied at all, should only apply to a subset of resources with charging restrictions. It would be inappropriate for the CAISO to memorialize this overly conservative and potentially temporary methodology into the CAISO tariff. Doing so could codify this conservative methodology for a longer time than is necessary.

¹ Comments available here: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M322/K704/322704083.PDF>.

² Available here: <http://www.aiso.com/Documents/Jan2-2020-ReplyComments-ProposedDecision-QualifyingCapacityValues-HybridResources-R17-09-020.pdf>

AWEA recommends that CAISO's default methodology for hybrid resources should remain unchanged from the September Straw Proposal, where the default QC for a hybrid resource was equal to the sum of the underlying component (capped at the interconnection rights). AWEA looks forward to continuing discussions on QC for hybrid resources in this initiative and in the CPUC's RA proceeding.

Additional comments

Please offer any other feedback your organization would like to provide on the Hybrid Resources Initiative.