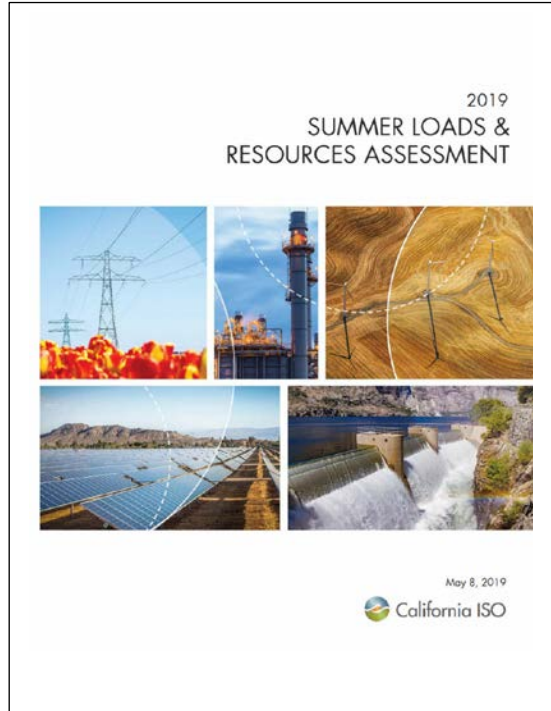


AB 1584

And the CAISO's Resource Assessment Reports

AB 1584 would send cost signals to CPUC-jurisdictional load-serving entities about the system impacts of their resource choices. These choices not only impose costs on the CAISO system, but also pose **system reliability risks**.

The CAISO's *2019 Summer Loads & Resources Assessment* report found "a higher potential for shortages of upward ramping capability during certain times of the day, which would create operational risks. These upward ramping shortages are most prevalent in the late afternoon when solar generation output decreases while system demand is still high. Without sufficient upward ramping capability within the CAISO to offset the loss of solar output during these times, neighboring balancing authority areas would have to provide the necessary support to balance supply and demand to maintain system frequency under normal conditions."



The report continued, "The CAISO will be at the greatest operational risk during late summer as the availability of hydro energy wanes and potential high peak demands in neighboring balancing authority areas decrease the availability of imports into the CAISO. The continuing decline in dispatchable generation as gas units retire creates further challenges for meeting the CAISO flexible capacity requirement and the peak demand, which is now occurring later in the day when solar output is at or near zero."

The CAISO's *2020 Flexible Capacity Needs Assessment* shows that the maximum system ramping requirement is expected to grow from 15,590 MW in 2018 to 21,295 MW in 2022.

AB 1584 will establish cost signals for these ramping requirements, which will help keep in check the need for, and cost of, these ramping resources.

Figure 3: The ISO System Monthly Maximum Three-Hour Flexible Capacity Requirements

