



Submit comment on Draft final proposal

Initiative: Generation deliverability methodology review

[CalWEA comments submitted online on 11/27/23](#)

1. Please provide a summary of your organization's comments on the Generation Deliverability Methodology Review stakeholder call.

CalWEA appreciates the opportunity to comment on CAISO's Generation Deliverability Methodology Review Initiative Draft Final Proposal. CalWEA thanks CAISO for the significant effort it has devoted to this important effort to address stakeholder requests for review of its deliverability study process and methodology and appreciated the opportunity for robust discussion on the November 13 stakeholder call.

In this section, we review elements of the Draft Final Proposal that are not addressed in CAISO questions 2-4, below.

Secondary System Need (SSN) Scenario: CalWEA continues to support CAISO's proposal to remove the SSN study from generation interconnection deliverability studies and thanks CAISO for its responsiveness to stakeholder input on this item. CalWEA supports focusing the deliverability study only on hours of stressed conditions when reliability concerns may occur and therefore supports CAISO's proposal to remove the SSN scenario. CalWEA supports CAISO's plan to perform the SSN study in the transmission planning process for at least a few years to ensure there are no issues accessing resources across the daily cycle when needed.

Resource Dispatch Assumption Levels: CalWEA does not object to CAISO's proposal to maintain existing assumptions for resource dispatch levels at this time given the CPUC's planned transition to a 24-hourly RA framework for its resource adequacy (RA) program. CalWEA trusts that CAISO will adjust its assumed dispatch levels for consistency with the values that the CPUC adopts under its 24-hourly RA program, as well as any changes to other LRAs' resource valuation methodologies.

Distribution Factor (DFAX) threshold of 5% and 10%: CalWEA supports CAISO's proposal to raise the 5% distribution factor threshold for 500 kV line overload constraints to 10%, to decrease the pool of generators that must wait for the identified transmission upgrades intended to mitigate the constrained path. CalWEA appreciates the CAISO's proposal for this aspect and agrees with the CAISO's expectation that this will be a more practical threshold that will include the generators that have a significant impact on the 500 kV line overload constraint and exclude generators that have an insignificant impact on the high capacity and low impedance 500 kV constraint.

2. Provide a summary of your organization's comments on the proposed changes to treatment of n-2 contingencies and mitigation requirements, as described in the draft final proposal.

CalWEA appreciates CAISO's acknowledgement on the November 13 stakeholder call that its use of N-2 criteria in deliverability studies is due to the unique construct of CAISO's generation interconnection study process. CalWEA agrees that entirely eliminating N-2 criteria from that process, as recommended by CalWEA previously, would require redesigning the GIP reliability studies, which would be burdensome on CAISO and may produce unanticipated consequences. Therefore, CalWEA supports CAISO's proposal to apply the cascading N-2 criteria for projects whose FCDS has been delayed but urges CAISO to apply this less stringent criterion more broadly.

Accordingly, CalWEA urges CAISO to modify its proposal by applying the same cascading N-2 criteria on a uniform basis, consistently across all generation projects.¹ CalWEA has carefully reviewed the statement of position CAISO provided in the November 2023 proposal and continues to believe that CAISO has not adequately justified why different standards should apply to resources seeking FCDS and resources that have been awarded Full Capacity Deliverability Status ("FCDS") conditioned on the completion of transmission upgrades that have been delayed.

As CalWEA understands the CAISO's proposal, CAISO intends to continue to apply an N-2 non-cascading outage standard in Phase 2 deliverability studies for resources seeking FCDS, but to apply an N-2 cascading outage standard for resources that have been awarded FCDS pending completion of transmission upgrades that will remedy the non-cascading outage risk that was previously identified in the deliverability studies for those resources. While CAISO addressed the topic at some length,² CalWEA is not persuaded that applying different reliability standards in deliverability studies (one essentially applied post-hoc) is warranted. CalWEA urges CAISO to reconsider this aspect of its proposal and to apply the same "cascading" outage standard in all deliverability studies. CalWEA also requests that CAISO explain the methodology it will use to determine whether the N-2 contingency causes cascading outages or not.

CalWEA also recommends that CAISO analyze the effect of applying a cascading N-2 test consistently across all Cluster 14 projects, which would allow CAISO to "test drive" the approach. If CAISO has already performed studies on Cluster 14, it would be less burdensome to perform such a "test drive" by applying the cascading outage standard under N-2 as a conditional screen for projects that might produce overloading, but not cascading outages. This change would be consistent with how CAISO intends to apply N-2 to projects that are awaiting the completion of transmission upgrades. An exercise of this nature is needed to understand how much more deliverability capacity would be made available by the proposed change, and CAISO could assess whether to adopt the change, beginning with Cluster 14, in view of this additional information.

3. Provide a summary of your organization's comments on revising the ADNU/LDNU Guidelines, as described in the draft final proposal.

CalWEA appreciates CAISO's proposal to revise the guidelines for identifying Area Deliverability Constraints (ADCs) such that there is a potential for more constraints to be identified as Local Deliverability Constraints, enabling these constraints to be addressed through the generation interconnection process. CalWEA supports the CAISO proposal to update its guideline ADC-C4 to transition from a fixed cost threshold of \$20M to a \$60k per megawatt (adjusted per escalation) threshold based on the generation capacity behind the constraint. CalWEA agrees with this change because it could reduce the amount of identified ADNUs that would otherwise prevent generators from obtaining deliverability allocations and would provide developers an opportunity to finance the upgrades as local network upgrades themselves.

¹ While CalWEA advocated elimination of the N-2 criterion from the deliverability study altogether, we noted that we could support, as a compromise, applying the cascading N-2 criterion across the board. See CalWEA's comments of Sept. 27, 2023, in response to question 5. To be clear, CalWEA's comments do not seek changes to how the reliability studies are conducted.

² See CAISO Draft Final Proposal at pp. 17-21.

However, the proposed cost threshold change alone may not necessarily impact the volume of upgrades that will qualify as LDNUs rather than ADNUs. Therefore, CalWEA encourages CAISO to continue monitoring this issue to determine if a more significant shift in the ADNU/LDNU threshold would benefit the state's efforts to bring projects online quickly.

4. Provide a summary of your organization's comments on the proposed conditional deliverability based original schedules during delayed deliverability upgrades, as described in the draft final proposal.

Please see response to question 2, above. In addition, CalWEA supports CAISO's position to defer the issue of any network upgrades that are delayed by PTOs beyond their originally identified in-service date to the Interconnection Process Enhancements initiative. CalWEA agrees that PTO upgrade delays are an important concern but these delays are not limited to delivery network upgrades and CalWEA appreciates this issue will need to be coordinated with other policy venues and industry efforts to address concerns with the pace of resource and transmission development.