Evaluation Report of Load Serving Entities' Compliance with 2015 Local and System Resource Adequacy Requirements (November 18, 2014)

The ISO has reviewed the aggregate 2015 annual Resource Adequacy (RA) Plans of load serving entities (LSEs) received as of November 1, 2014 and done an evaluation to assess compliance with annual Local and System Resource Adequacy requirements. In addition, the ISO has done an evaluation of the effectiveness of the Resource Adequacy Resources and RMR resources that have been procured by LSEs to assess compliance in Local Capacity Areas with the Local Capacity Technical Study criteria as required by Tariff Sections 43.2.1.1 and 43.2.2. The ISO's evaluation has identified individual LSE and collective capacity deficiencies in several Local Capacity Areas in the PG&E and SDG&E TAC Areas. The ISO's evaluation shows aggregate compliance with the LCR criteria in the SCE TAC Area. A deficiency occurs when the aggregate portfolio of Resource Adequacy Resources that has been procured, including RMR resources, fails to satisfy the adopted reliability criteria in a Local Capacity Area. The tariff provides an opportunity for LSEs to cure individual or collective deficiencies before the ISO can engage in any backstop procurement.

The ISO notes that it cannot require the deficient LSEs to buy from the units specified below, which are needed to satisfy LCR criteria. LSEs (including those deficient at this time) can buy from any resources with a local attribute in the TAC Area. However, to the extent that the aggregate LSE showings do not comprise the right mix of resources that meet the LCR criteria and ISO effectiveness needs, a deficiency may exist that would cause the ISO to procure individual and/or collective backstop capacity.

System Resource Adequacy requirements

The ISO's evaluation shows aggregate compliance with the year ahead RA requirement (90% of the monthly resource adequacy requirement) for the five summer months.

Local Resource Adequacy requirements

LSEs year ahead RA showings evaluation was performed with the same assumptions as the 2015 LCR report that was used to give LSEs their LCR allocations namely the LCR report posted April 30, 2014 http://www.caiso.com/Documents/Final2015LocalCapacityTechnicalStudyReportApr30_2014.pdf . The LSEs and suppliers are subject to the RA replacement requirement and are subject to ISO capacity procurement mechanism back stop authority as approved by FERC.

SCE TAC Area

The ISO's evaluation shows aggregate compliance with the LCR criteria.

PG&E TAC Area

1. At this time, individual LSE deficiencies in the PG&E TAC Area total 97.77 MW.
2. Based on the final showings received the ISO projects that there could be a potential collective deficiency ranging from a minimum deficiency of 310.97 MW to a maximum deficiency of 408.74 MW.

For Sierra Local Area, an additional 132.14 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
DAVIS_7_MNMETH	MM Yolo Power LLC	2.18	2.18	South of Palermo
LODIEC_2_PL1X2	Lodi Energy Center	280	106.75	South of Palermo
PLSNTG_7_LNCLND	Lincoln Landfill Power Plant	2.4	2.4	South of Palermo
STIGCT_2_LODI	Lodi STIG	49.5	20.81	South of Palermo

For Stockton Local Area, an additional 16.72 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
CAMCHE_1_PL1X3	Camanche Units 1, 2 and 3	4.21	4.21	Tesla-Bellota
CURIS_1_QF	Small QF Aggregation-Merced	0.54	0.54	Tesla-Bellota
STNRES_1_UNIT	Stanislaus Waste Energy Co.	10.57	10.57	Tesla-Bellota
VLYHOM_7_SSJID	Woodward	1.40	1.40	Tesla-Bellota

For Bay Area Local Area, an additional 173.50 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
CONTAN_1_UNIT	Graphic Packaging Cogen	27.7	27.7	San Jose
DUANE_1_PL1X3	Donald Von Raesfeld Project	147.8	145.8	San Jose

For Fresno Local Area, an additional 9.87 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
DINUBA_6_UNIT	Dinuba Generation Project	9.87	9.87	Reedley

For Kern Local Area, an additional 76.51 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
DEXZEL_1_UNIT	Western Power&Steam Cog.	27.04	27.04	South Kern PP
OILDAL_1_UNIT 1	Oildale Energy LLC	38.67	38.67	South Kern PP
ULTOGL_1_POSO	Rio Bravo Poso	31.72	31.72	South Kern PP

SDG&E TAC Area

1. At this time, individual LSE deficiencies in the SDG&E TAC Area total 0 MW.
2. Based on the final showings received the ISO projects that there could be a potential collective deficiency of 20.9 MW.

For Greater San Diego-Imperial Valley Local Area, an additional 20.9 MW needs to be procured from the following resources in order to satisfy the LCR criteria:

Mkt./Physical Res. ID	Physical Resource Name	NQC (MW)	Available (MW)	LCR Need
ELCAJN_6_UNITA1	Cuyamaca Peak Energy	45.42	45.42	El Cajon

Process for curing a Collective Deficiency:

For purposes of curing a collective deficiency, a Scheduling Coordinator for an LSE may submit a revised annual Resource Adequacy Plan by **December 18, 2014**, to demonstrate the procurement of additional Local Capacity Area Resources consistent with this notice in order to resolve the collective deficiency as provided by Tariff Section 43.2.2.1. Any Scheduling Coordinator for an LSE that provides such additional Local Capacity Area Resources consistent with this market notice shall have its share of any backstop procurement costs reduced on a proportionate basis in accordance with the Tariff. If the full quantity of capacity in the deficient Local Capacity Areas is not reported to the ISO under revised annual Resource Adequacy Plans, the ISO may engage in backstop procurement sufficient to alleviate the collective deficiency.