Evaluation Report of Load Serving Entities' Compliance with 2017 Local and System Resource Adequacy Requirements (November 18, 2016)

The ISO has reviewed the aggregate 2017 annual Resource Adequacy (RA) Plans of load serving entities (LSEs) received as of November 1, 2016 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 SCE TAC Areas. The ISO's evaluation shows aggregate compliance with the LCR criteria in the SDG&E 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 2017 LCR report that was used to give LSEs their LCR allocations namely the LCR report dated April 29, 2016 http://www.caiso.com/Documents/Final2017LocalCapacityTechnicalReportApril292016.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.

SDG&E 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 46.31 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 788.38 MW to a maximum deficiency of 834.69 MW.

For Humboldt Local Area, an additional 13.59 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
BRDGVL_7_BAKER	Baker Station Hydro	0.69	0.69	Humboldt
FAIRHV_6_UNIT	Fairhaven Power Co.	15.49	15.49	Humboldt
FTSWRD_6_TRFORK	Three Forks Water Project	0.76	0.76	Humboldt
FTSWRD_7_QFUNTS	FTSWRD_7_QFUNTS	0.01	0.01	Humboldt
GRSCRK_6_BGCKWW	Big Creek Water Works	0.35	0.35	Humboldt
HUMBPP_6_UNITS	Humboldt Bay Gen. Station 1	97.62	19.12	Humboldt
KEKAWK_6_UNIT	STS Hydropower LTD.	0.31	0.31	Humboldt
LAPAC_6_UNIT	Louisiana Pacific Samoa	20.00	20.00	Humboldt
LOWGAP_1_SUPHR	Mill & Sulphur Creek Hydro	0.08	0.08	Humboldt

For Sierra Local Area, an additional 281.33 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
BELDEN_7_UNIT 1	Belden Hydro	119.00	1.00	South of Palermo
BNNIEN_7_ALTAPH	Alta Power House	1.00	0.60	South of Palermo
BOWMN_6_UNIT	Bowman	1.98	1.98	South of Palermo
BUCKCK_7_OAKFLT	Oak Flat	1.30	0.30	South of Palermo
CHICPK_7_UNIT 1	Chicago Park 1, Bear River CA	42.00	17.50	South of Palermo
DAVIS_1_SOLAR1	Grasslands 3	0.90	0.90	South of Palermo
DAVIS_1_SOLAR2	Grasslands 4	0.95	0.95	South of Palermo
DAVIS_7_MNMETH	MM Yolo Power LLC	1.96	1.96	South of Palermo
DEERCR_6_UNIT 1	Deer Creek	7.00	3.30	South of Palermo
DRUM_7_PL1X2	Drum PH 1 Units 1 & 2 Ag.	26.00	19.80	South of Palermo
DRUM_7_PL3X4	Drum PH 1 Units 3 & 4 Ag.	28.90	19.21	South of Palermo
DRUM_7_UNIT 5	Drum PH 2 Unit 5	50.00	3.00	South of Palermo
DUTCH1_7_UNIT 1	Dutch Flat 1 PH	22.00	2.20	South of Palermo
DUTCH2_7_UNIT 1	Dutch Flat 2 PH	26.00	19.00	South of Palermo
FMEADO_6_HELLHL	FMEADO_6_HELLHL	0.30	0.10	South of Palermo
FMEADO_7_UNIT	French Meadows Hydro	18.00	0.70	South of Palermo
HALSEY_6_UNIT	Halsey Hydro	13.50	13.50	South of Palermo
LODIEC_2_PL1X2	Lodi Energy Center	280.00	99.56	South of Palermo
NWCSTL_7_UNIT 1	Newcastle Hydro	12.00	12.00	South of Palermo
OXBOW_6_DRUM	Oxbow Hydro	6.00	0.10	South of Palermo
PLACVL_1_CHILIB	Chili Bar Hydro	8.40	8.40	South of Palermo
ROLLIN_6_UNIT	Rollins Hydro	13.50	8.41	South of Palermo
SPAULD_6_UNIT 3	Spaulding Hydro PH 3 Unit	6.50	1.50	South of Palermo
SPAULD_6_UNIT12	Spaulding Hydro PH 1 & 2 Ag.	11.40	5.20	South of Palermo
SPI LI_2_UNIT 1	Lincoln Biomass	9.79	0.01	South of Palermo
STIGCT_2_LODI	Lodi STIG	49.50	29.95	South of Palermo
WISE_1_UNIT 1	Wise Hydro Unit 1	14.5	7.00	South of Palermo
WISE_1_UNIT 2	Wise Hydro Unit 2	3.20	3.20	South of Palermo

For Stockton Local Area, an additional 179.96 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
DONNLS_7_UNIT	Donnells Hydro	72.00	72.00	Tesla-Bellota
PHOENX_1_UNIT	Phoenix PH	2.00	1.10	Tesla-Bellota
SNDBAR_7_UNIT 1	Sand Bar Hydro	12.19	12.19	Tesla-Bellota
SPRGAP_1_UNIT 1	Spring Gap Hydro	7.00	0.71	Tesla-Bellota
STANIS_7_UNIT 1	Stanislaus Hydro	91.00	58.80	Tesla-Bellota
STNRES_1_UNIT	Covanta Stanislaus	18.23	18.23	Tesla-Bellota
ULTPCH_1_UNIT 1	Ogden Power Pacific	16.19	16.19	Tesla-Bellota
VLYHOM_7_SSJID	Woodward Power Plant	0.74	0.74	Tesla-Bellota

For Bay Area Local Area, an additional 40.20 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	27.70	27.70	San Jose
CSCGNR_1_UNIT 1	Gianera Peaker Unit 1	24.00	0.50	San Jose
DUANE_1_PL1X3	Donald Von Raesfeld Project	147.80	12.00	San Jose

Also for Bay Area Local Area, an additional 285.00 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
GILROY_1_UNIT	Gilroy Cogen Aggregate	105.00	15.50	South Bay-Moss Landing
METEC_2_PL1X3	Metcalf Energy Center	570.00	78.00	South Bay-Moss Landing
MOSSLD_2_PSP1	Moss Landing Power Block 1	510.00	425.00	South Bay-Moss Landing
MOSSLD_2_PSP2	Moss Landing Power Block 2	510.00	20.00	South Bay-Moss Landing
MOSSLD_7_UNIT 6	Moss Landing Unit 6	754.00	754.00	South Bay-Moss Landing
MOSSLD_7_UNIT 7	Moss Landing Unit 7	755.00	755.00	South Bay-Moss Landing

For Fresno Local Area, an additional 27.00 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
COLGA1_6_SHELLW	Coalinga Cogen Company	34.70	34.70	Coalinga

Also for Fresno Local Area, an additional 7.59 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	7.59	7.59	Reedley

For Kern Local Area, an additional 0.02 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
7STDRD_1_SOLAR1	Shafter Solar	17.56	0.01	Kern Oil
DISCOV_1_CHEVRN	Chevron USA (Eastridge)	2.05	0.01	Kern Oil

SCE TAC Area

1. At this time, individual LSE deficiencies in the SCE TAC Area total 65.74 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 0.00 MW to a maximum deficiency of 27.80 MW.

For Big Creek/Ventura Local Area, an additional 27.80 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
GOLETA_6_GAVOTA	Point Arguello Pipeline Co.	0.51	0.51	Santa Clara
MNDALY_7_UNIT 1	Mandalay Gen Sta. Unit 1	215.00	215.00	Santa Clara
MNDALY_7_UNIT 2	Mandalay Gen Sta. Unit 2	215.29	215.29	Santa Clara
MNDALY_7_UNIT 3	Mandalay Gen Sta. Unit 3	130.00	130.00	Santa Clara
SNCLRA_6_WILLMT	Williamette	13.61	13.61	Santa Clara

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 19, 2016**, 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. Scheduling Coordinators for LSEs are further reminded of the ISO BPM Appeals Committee's Decision on Appeal of PRR 854: *"While this stakeholder process is underway, the ISO will continue to conduct its Local Capacity Technical Study as required by Section 40.3.1.1 of its tariff, but the ISO will use its discretion not to exercise its Capacity Procurement Mechanism authority to address annual resource deficiencies that are directly attributable to a discrepancy between a local regulatory authority's resource adequacy counting rules for demand response resources and ISO's Local Capacity Technical Study. Instead, prior to the conclusion of the stakeholder process addressing pre-Contingency dispatch resources, the ISO will rely upon existing slower acting resources in the Local Capacity Technical Study assuming these resources have sufficient availability to provide pre-Contingency dispatch necessary to resolve Contingencies in the applicable 30-minute timeframe."*