BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations.

Rulemaking 23-10-011

REVISED SLICE OF DAY PROPOSAL OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION

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Dated: February 23, 2024

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I. Introduction

Pursuant to the *Assigned Commissioner's Scoping Memo and Ruling* (Ruling), issued on December 18, 2023, the California Independent System Operator Corporation (CAISO) hereby submits its revised Slice of Day proposal to the California Public Utilities Commission (Commission).

II. Discussion

A. The Commission Should Require Load Serving Entities to Show All Deliverable Resources Shown in Slice of Day Showings to the CAISO.

The Commission should establish a rule that load serving entities (LSEs) must show to the CAISO all deliverable resources on Slice of Day resource adequacy (RA) plans (*i.e.*, resources with full or partial deliverability status, not energy-only resources). Specifically, LSEs should show deliverable resources to the CAISO regardless of what hour the resources are shown to the Commission in Slice of Day showings. This rule would ensure deliverable resources shown to the Commission are also shown to the CAISO, enabling the CAISO to correctly flag RA resources in CAISO systems and processes.

The proposed rule will allow the CAISO to identify all deliverable resources reflected in Slice of Day showings in CAISO systems and processes. This transparency will help ensure

resources are subject to CAISO RA rules, and that the CAISO accounts for these resources for RA compliance. Compliance with CAISO RA rules (such as must-offer obligations, substitution rules, and the resource adequacy availability incentive mechanism) is important to ensure resources are available to the CAISO when needed for reliability.

The proposed rule also will help prevent the CAISO from labeling these resources as eligible for other designations, such as the CAISO's Capacity Procurement Mechanism.

In January 2024, the CAISO hosted a workshop and published a supplemental whitepaper on interactions between CAISO RA processes and Slice of Day. In both forums, the CAISO discussed expectations for LSE showings to the CAISO once the Commission transitions to Slice of Day. Importantly, the CAISO highlighted two scenarios under current rules that could result in an LSE either not showing a resource in the gross peak hour or showing a resource at zero megawatts (MW) in the gross peak hour in Commission Slice of Day showings: (1) an LSE does not show a storage resource in the gross peak hour to the Commission (scenario 1); and (2) an LSE shows a solar resource with a zero MW exceedance value in the gross peak hour to the Commission (scenario 2). In both scenarios, the CAISO stressed that LSEs should show these resources to the CAISO to accurately capture all RA resources in the CAISO's systems and ensure alignment between the CAISO and the Commission. Accordingly, the Commission should require LSEs to show to the CAISO all deliverable resources on Commission Slice of Day RA showings.

The CAISO will continue to use a single net qualifying capacity (NQC) value for each resource in its systems when the Commission transitions to Slice of Day. In the CAISO's 2024 workshop and white paper, the CAISO detailed the values that LSEs should show to the CAISO for resources under scenario 1 and scenario 2. Under scenario 1, LSEs should continue to show the storage resource's NQC value (based on the resource's 4-hour RA value under the Commission's storage counting rules) to the CAISO. Under scenario 2, LSEs should show 0.1 MW to the CAISO. To ensure alignment between the CAISO and Commission, the CAISO suggests Energy Division clarify this guidance in a resource adequacy guide.

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¹ CAISO, CAISO RA Processes and CPUC's Slice of Day, January 2024: https://www.caiso.com/InitiativeDocuments/White-Paper-ResourceAdequacyProcesses-CPUC-Slice-of-Day-Jan09-2024.pdf

III. Conclusion

The CAISO appreciates the opportunity to submit this revised Slice of Day proposal.

Respectfully submitted

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