

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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

Rulemaking 19-11-009
(Filed November 7, 2019)

**NOTICE OF EX PARTE COMMUNICATION BY THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

Pursuant to Article 8.4 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby files this notice of oral *ex parte* communications in the above captioned proceeding.

This filing provides a summary of an *ex parte* communication that occurred on June 11, 2021. The communication took place from approximately 10:30 a.m. to 11:00 a.m. with Yuliya Shmidt, Policy Advisor to Commissioner Rechtschaffen. Anna McKenna, Vice President, Market Policy and Performance; Delphine Hou, Director, California Regulatory Affairs; and Jordan Pinjuv, Senior Counsel, participated in the communication by Webex on behalf of the CAISO.

The CAISO began the discussion expressing its support for President Batjer's June 3, 2021 *Assigned Commissioner's Ruling on Submission of Refreshed Effective Load Carrying Capability Study Results* (Ruling). The CAISO noted it would work with investor-owned utilities to submit refreshed effective load carrying capability (ELCC) results consistent with the schedule in the Ruling. The CAISO further noted that using a reliability-based counting methodology, such as ELCC, would allow the CAISO to make the appropriate filings at the Federal Energy Regulatory Commission (FERC) to waive the application of the resource adequacy availability incentive mechanism (RAAIM) and allow the Commission to direct investor-owned utilities to show demand response resources on supply plans.

The CAISO subsequently discussed the May 21, 2021 Proposed Decision to adopt 2022 resource adequacy requirements. Ms. McKenna noted the CAISO continues to be import dependent and capacity in the West is becoming increasingly constrained due to changes in the fleet and weather events like those experienced in summer 2020. The CAISO reiterated its belief

that the most prudent course of action is requiring all resource adequacy imports to secure firm transmission to the CAISO border so they are not at risk of curtailment during constrained hours.

The CAISO expressed concern with the Proposed Decision's finding that it is premature to consider requiring firm transmission for summer 2021. The CAISO recommended the Commission adopt a procedural vehicle to consider further improvements for summer 2022 based on the results observed this summer.

To address these concerns, the CAISO recommended the Commission adopt the CAISO's proposal to resource adequacy imports to: (1) specify the source of generation, (2) provide high priority firm transmission on the last transmission leg to the CAISO system, and (3) meet attestation requirements to ensure they are committed to the contracting load serving entity. The CAISO also proposed resource adequacy imports should be required to provide a minimum availability of 16 hours a day, 7 days a week.

The CAISO noted its proposal for firm transmission is similar the Commission's currently existing resource adequacy import rules. Specifically, the Commission's existing rules, in place since 2005, provide that resource adequacy import contracts must either (a) be delivered on firm transmission or (b) specify a firm delivery point (*i.e.*, not seller's choice). The CAISO recommended that at minimum, the Commission should require a percentage of resource adequacy imports to be delivered on firm transmission, rather than simply specifying a firm delivery point under contract. The CAISO concluded by noting resource adequacy import delivery on firm transmission is critical as the CAISO faces increasingly challenging summer conditions dependent upon reliable import supply.

Respectfully submitted

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