

[Yesterday 9:55 AM] Wan, Lisa

Good morning everyone! Friendly reminders: This meeting is being recorded. Please mute yourself. If necessary, I will mute your line if there's excessive background noise. Next (and final) Workshop: UCAP and Multi-year on Wednesday 1/19. If you are interested in presenting at the following workshop (UCAP and Multi-year on Wednesday 1/19), please contact the co-facilitators by this Friday 1/7 and send presentation materials to the co-facilitators by Friday 1/14. The next set of informal comments are due Wednesday 1/26, on the Hedging, UCAP, and Multi-Year workshops. If you need to find the call-in information, schedule, or contact information for these workshops, they are included in the emails sent to the service list.

[Yesterday 10:09 AM] Julia Prochnik (Guest)

Agenda: PGE, Q&A, Lunch, CalWea, Vistra and Overall Q&A

[Yesterday 10:11 AM] Cole, Alexander

Nice Luke. I listened to the current Surgeon General of the US, Vivek Murthy, who has a practice of looking at his calendar every morning and thinking about the people he will be meeting with, who they are, and what their cares and concerns might be. This allows him to approach them with care and kindness, even when he's busy -- and avoid treating them like an annoyance on his busy schedule. It illustrates a way that how we can all practice kindness towards each other.

like 2

[Yesterday 10:16 AM] Oren Weiner

how was the bid cap of 300 selected?

[Yesterday 10:19 AM] Cunningham, Patrick

Oren, Energy Division had observed market bids rarely exceeded \$300/MWh in a stretch of time, so I think that's the basis (I'm with Cal Advocates so can't speak for them too much). They proposed it initially back in August 2020 I believe

like 1

[Yesterday 10:19 AM] Nuo Tang

I don't think PG&E is proposing ED's previous proposal, simply a recap? So I'm not sure if it's under consideration at this point.

like 1

[Yesterday 10:20 AM] Grant McDaniel

Agree, But let's let's not forget the Feb 21 freeze which caused DEBs on gas plants to go beyond the price cap.

[Yesterday 10:21 AM] Nick Pappas

Grant McDaniel Agree, But let's let's not forget the Feb 21 freeze which caused DEBs on gas plants to go beyond the price cap. In prior discussions (2020-2021) this was intended as the greater of \$300/MWh or the DEB to reflect fuel price risk

[Yesterday 10:22 AM] Nick Pappas

\*discussed as. I can't speak to intent.

[Yesterday 10:22 AM] White, Ian D SENA-STX/A/7

Oren & Grant, good point. A static \$/MWhr value might cause other concerns as you suggest.

[Yesterday 10:22 AM] White, Ian D SENA-STX/A/7

Something to keep in mind, I suppose.

like 1

[Yesterday 10:26 AM] Renae Steichen (Guest)

Does PG&E envision that existing contracts would need to be renegotiated if this rebate is implemented? or only going forward? Note that given other contract obligations a resource might have (e.g. energy hedge) existing contracts would be challenge to renegotiate.

[Yesterday 10:31 AM] Renae Steichen (Guest)

For storage - is that example saying the rebate would be \$1,140? so the rebate is the spread plus VOM?

like 1

[Yesterday 10:31 AM] Oren Weiner

yes that addressed my question, thank you

[Yesterday 10:32 AM] Renae Steichen (Guest)

how do I unmute phone?

[Yesterday 10:38 AM] Chris Devon

Yes Peter and Renae made good points on the cost/price shift.. Under these "RA hedging" mechanisms the resource owners will want to include a price premium if they are forced to do these arrangement... moving away from exposure to energy market based pricing and pushing costs in the less liquid bilateral RA pricing... seems to create less efficient outcomes and uses the RA program to lower energy market costs. seems concerning...

like 3

[Yesterday 10:55 AM] Paul Nelson-CLECA (Guest)

LOL on Peter's reaction to hedging by PG&E. Sensitive info.

[Yesterday 10:56 AM] Paul Nelson-CLECA (Guest)

If there are financial companies offering financial hedges, that would separate who is taking the risk away from the generator.

like 1

[Yesterday 10:57 AM] David (Guest)

Can you email out the PG&E slides.

[Yesterday 10:58 AM] Wan, Lisa

Hi David, the slides were sent via the service list yesterday. they will also be posted on the CPUC's website shortly: Resource Adequacy History (ca.gov)

Resource Adequacy History

Principal Resource Adequacy Decision

R.21-10-002

Implementation Track Phase I

December 14, 2021 Workshop on "Implementation Track – Phase I

Workshop Recording

Agenda

Presentatio...

[Yesterday 11:13 AM] Nick Pappas

Hi Cathleen, could you articulate how your proposal is different from the status quo? I believe LSEs currently have the option to consider RA-only or bundled RA products. (slide 10)

[Yesterday 11:15 AM] Barbara Barkovich (Guest)

Please mute if you are not asking a question or presenting.

[Yesterday 11:23 AM] Chris Devon

Agree with nearly everything that Eric Little just mentioned.. those are the right questions to be considering... but one clarification is that I believe the CAISO's LMPM is applied to any "uncompetitive constraints", not just within local RA areas. I'm not an expert on LMPM but that is my understanding.

like 1

[Yesterday 11:42 AM] Matthew Barmack

Gannon, Jaime Rose, is ED planning to issue a data request to LSEs on energy hedging? In advance of a decision to implement energy hedging requirements through RA?

[Yesterday 11:45 AM] Gannon, Jaime Rose

A data request would be very helpful to inform a decision on this. However, I can't say that the data request is a prerequisite to a decision.

like 1

[Yesterday 11:46 AM] Scott Murtishaw

Have the CCAs expressed a belief that wholesale prices have been unreasonable and do they feel that they currently lack mechanisms to adequately hedge their wholesale cost exposure?

[Yesterday 11:49 AM] Sergio Dueñas

How does this issue of replacement resources interact with the ISO's intent to move away from RAAIM?

[Yesterday 11:51 AM] Bridget Sparks (CAISO) (Guest)

The CAISO would only get rid of RAAIM if we adopted UCAP. If we maintain 100% POSO, this may increase risks of forced outages which could impact a resources future UCAP value.

like 1

[Yesterday 11:57 AM] Nuo Tang

Gannon, Jaime RoseA data request would be very helpful to inform a decision on this. However, I can't say that the data request is a prerequisite to a decision. It would be helpful to understand the magnitude of the problem the proposals are trying to solve and also the total cost to LSEs, not just the energy prices in the ISO market, so that there is a robust record for the decision. I also have question as to how the ED would parse out the capacity only portion of PG&E CPE's Energy Settlement contracts for purposes RA reports.

[Yesterday 11:59 AM] Nuo Tang

Sergio DueñasHow does this issue of replacement resources interact with the ISO's intent to move away from RAAIM?I interpret Vistra's point about replacement capacity is with the bilateral market, not with CAISO POSO.

[Yesterday 12:04 PM] Julia Prochnik (Guest)

Back at 1230 with presentation from CALWEA and Dariush.

[Yesterday 12:35 PM] Julia Prochnik (Guest)

Reminder- PLEASE MUTE- THANK YOU

[Yesterday 12:37 PM] Ed Smeloff (Guest)

Does an exceedance approach need to use historic performance data for specific plants or can the performance be simulated based on many years of weather data?

[Yesterday 12:40 PM] Navis, Kyle

Can you clarify what maximum is being used? Monthly? Hour-within-a-month over a sample of years?

[Yesterday 12:43 PM] Ed Smeloff (Guest)

Is the ENLR approach compatible with a 24 daily slices RA framework? What happens to the hours when load is less than X% of maximum?

[Yesterday 12:45 PM] Ed Smeloff (Guest)

Aren't we also interested in the availability of wind and solar during non-peak hours so that we can forecast their use for battery charging?

[Yesterday 12:45 PM] Nuo Tang

I'm wondering if it's only compatible w/ the 24-Slice framework?

like 1

[Yesterday 12:46 PM] Ric O'Connell (GridLab) (Guest)

Darius - what max load are you comparing to with your 50%/60%/70%/80% - is that Max load for that month/hour?

[Yesterday 12:46 PM] Colbert, Cathleen

Nuo Tang I'm wondering if it's only compatible w/ the 24-Slice framework? This seems to me to be compatible with 24-slices too, I'm not seeing how it would integrate to 2-slices.

[Yesterday 12:47 PM] Ed Smeloff (Guest)

If load does not need the capacity in specific hours then it can be used to charge batteries.

[Yesterday 1:03 PM] Nuo Tang

the 2-Slice proposal uses avg and incremental ELCC consistent with IRP, so I don't think ENLR would apply?

[Yesterday 1:17 PM] Ric O'Connell (GridLab) (Guest)

Cathleen - I think Dariush is proposing this as a way to get at NQC of WInd/Solar.

like 1

[Yesterday 1:18 PM] Ric O'Connell (GridLab) (Guest)

and my understanding of the SCE 24-hour framework is a gross load approach, not net, so there would be no netting AFAIK.

[Yesterday 1:29 PM] Ric O'Connell (GridLab) (Guest)

FYI - PJM's current NQC method for wind/solar is similar to Dariush's original proposal - average capacity factor during HE 3-6 in summer months.

[Yesterday 1:29 PM] Ric O'Connell (GridLab) (Guest)

PJM is now moving to ELCC.

[Yesterday 1:29 PM] Colbert, Cathleen

Dariush Shirmohammadi Bridget Sparks (CAISO) (Guest) Really appreciate Bridget's additional request for analysis to include statistics on variation. If this proposal is continued to be discussed, can CALWEA please provide descriptive statistics and correlation statistics on the data set. Thanks.

[Yesterday 1:33 PM] Julia Prochnik (Guest)

Material from today will be posted here shortly: [Resource Adequacy History \(ca.gov\)](https://www.ca.gov/resources/Resource-Adequacy-History)

