

Resource Adequacy Form of Confirmation

WSPP Operating Committee

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California Resource Adequacy

- Goals:
 - Provide sufficient resources to CAISO for reliable RT grid ops
 - Incentivize siting and construction of new resources
- All LSEs under CPUC jurisdiction have RA obligations.
 - LSEs must procure capacity to be available to CAISO when and where needed
- Three requirements:
 - System RA (6/1/06)
 - Local RA (1/1/07)
 - Flexible RA (1/1/15)

California RA Requirements

- System RA
 - Determined based on each LSE's CEC adjusted forecast + 15% planning reserve

- Local RA
 - Determined based on annual CAISO study using 1-10 weather year and N-1-1 contingency

- Flexible RA
 - Determined based on annual CAISO study of largest 3 hour ramp for each month to run system reliably

RA Showings

- Annual filings
 - Oct 31
 - system, local, and flex compliance showings for coming year.
 - must show 90% of flex and 100% of local for each month

- Monthly filings
 - 45 days before each compliance month
 - must show 100% of system and flex
 - May-Dec, LSEs also must show revised local obligation

EEI RA Form Confirm (in development)

- Article 1: Transaction Terms
 - Select generic RA v. flex RA; former excludes, latter include flex capacity attributes
 - Table for Contract Quantity for each day of Delivery Period
 - Contract Price table
 - Section 2.1(a) Planned Outage Election- firm/contingent firm
 - Section 2.1(b) Excused Reductions in Unit NQC- applicable?
 - Section 2.1(c) Excused Reduction in Unit EFC- applicable?
 - Article 5: Outage Schedules- applicable?

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■ Article 3: Payment

- 3.1: monthly payment formula = $\sum_i^n [Q_i \times P \times \left(\frac{1}{n}\right) \times CF]$
- 3.2: Allocation of other payments and costs
 - (a) CAISO payments seller gets
 - (b) CAISO payments buyer gets
 - (c) buyer audit rights
 - (d) buyer right to submit in any future CAISO central capacity market
 - (e) CAISO availability incentive and non-availability charges are for seller

EEI RA Form Confirm (in development)

- Article 6
 - 6.1: further assurances covenants
 - 6.2: further seller reps and warranties
 - Unit not otherwise committed
 - Unit in CAISO
 - Sale is not above unit NQC
 - Seller will provide info to CAISO, CPUC and Buyer.

Next Steps

- EEI Completes RA Form Development
 - Target is Q4 2016
- WSPP Form Development Process
- EEI keenly interested in comments from this group
- So no need to wait- get in touch and send comments and ideas now.