

Oregon Public Utility Commission
UM 2011

Staff Capacity Value Best Practices – Updated Draft

Comments of the NW Energy Coalition
October 20, 2021

The NW Energy Coalition (NVEC) appreciates the opportunity to provide the following comments on the Staff Capacity Value Best Practices – Updated Draft (September 30, 2021).

We focus here primarily on terms that could benefit from additional discussion and refinement so as to provide clarity for the proposed Best Practices. The references below correspond to the enumeration in the Staff Updated Draft.

1. The scope of the Best Practices is defined as excluding an Integrated Resource Plan portfolio analysis, Request for Proposals under Division 89, or Resource Adequacy program(s). It will be helpful to provide further context on why these categorical exclusions would be applied.
2. The requirement that “all types of supply- and demand-side resources must be determined using the resource type’s (including hybrid resources’) Effective Load Carrying Capability (ELCC)” should be modified to allow alternative methods, if and when it becomes apparent that the ELCC method does not accurately or reliably capture the capacity value of certain resource types or classes. This is particularly a concern for demand response, storage and hybrid-storage resources, where historical performance is affected by the situational context such as system supply availability, quantity of available system reserves and other factors.
- 2/3. Paragraph 2 refers to “types of supply-, and demand-side resources” and paragraph 3 refers to “each resource class.” If there is a difference, for example, classes are part of a resource type, then that should be explained; otherwise, one term should be chosen and used consistently.
- 3(b). This paragraph directs that each resource class “should capture a meaningful and distinct set of characteristics.” This may be fairly straightforward for supply resources but there could be ambiguity about the dividing line for other types. For example, some forms of demand response are dispatched by a utility or aggregator, others such as time of use rates may purely be effective by customer action, and there may also be combinations. Likewise, hybrid resources can vary widely, including the sets of resources involved and their configuration behind the point of interconnection.

In addition, footnote 9 states that Staff anticipates that the difference between hybrid resources with storage sized at 25% and 50% of the paired renewable resource nameplate capacity will be “sufficiently different” as to require a new resource class designation, but it is unclear what metric(s) will be employed to make the distinction.

It is appropriate to allow some discretion, but varying treatment across entities could result in

diminished comparability for the application of capacity value. As a result, it may be appropriate to discuss resource class “buckets” or reference facilities to help standardize analysis. For example, hybrid solar-storage resources can be classed as having 1, 2, 4 or 8 hour batteries and small (20 MW) and large (100 MW) solar components.

In addition to a reasonably limited number of such reference resource classes, flexibility should be allowed for other configurations where appropriate. This will provide coverage for differing resource capabilities without imposing unnecessary modeling and analysis work.

- 3(g). It is not clear what the reference to “reasonably expected” means in subparagraphs (ii) for PURPA resources and (iii) for customer side resources. Is this referring to the likelihood that such resources will become available after they are committed through contract or program effort, or to their performance once they are in service? If the latter, we note that all resources have availability and performance constraints.
- 4(a). The text should clarify the treatment of unforced outages or unavailability of resources in their historical record.
- 6. NWECC agrees that multi-day weather events are an important concern, but this topic bears additional discussion and may benefit from definition of reference events that provide a consistent basis for determining resource performance. In addition, most resources, not just energy storage and demand response, are subject to constraints during multi-day events. For example, coal piles can freeze, non-firm gas may not be available at a feasible price during stress conditions, available pondage and refill rates may limit hydropower output, and transmission necessary for resource delivery may suffer curtailment or outages.
- 7. The Draft states that resource capacity value will be determined by the “relevant cost of capacity” but does not define that term.
- 9(a). The Draft provides that least cost resource will be determined as, among other factors, being “reasonably available” but provides no dimension to that criterion.
- 11. The sentence beginning “In an overlay capacity-contribution approach” would benefit from a rewording to make the example clearer.

NWECC thanks the Staff for this Draft proposal and looks forward to further discussion.

/s/

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