

Resolution to Support FERC's California Independent System Operator Ruling on Intermittent Resources, and Encouraging Other Independent System Operators to Incorporate Similar Rules for Intermittent Resources

WHEREAS, Renewable energy resources offer benefits to the electricity system including environmental benefits, resource portfolio diversity, and fuel price risk stability; and

WHEREAS, Renewable energy resources such as wind, solar and hydro may be affected differently than conventional generation by transmission rules because of inherent characteristics such as their remote location, intermittency, and lower capacity factor; and

WHEREAS, These characteristics, along with the relatively new status of renewable resources as a source of electricity, may make it difficult for intermittent resources to compete fairly in the transmission marketplace; and

WHEREAS, Wind generators and other intermittent resources generally are unable to adjust their generation output to Independent System Operator (ISO) Dispatch instruction; and

WHEREAS, "As-available" energy from intermittent resources is difficult to forecast accurately for more than one or two hours into the future due to the significant variability of the fuel sources such as wind and sunlight; and

WHEREAS, The goal should be to ensure that intermittent and low capacity resources are not unfairly or inadvertently disadvantaged by new transmission rules; and

WHEREAS, The California Independent System Operator (Cal

ISO) recognized that wind plant owners cannot ship the electricity they generate to buyers over the transmission system without being subject to heavy non-cost-based penalties because they cannot predict, days or hours in advance, precisely how much transmission capacity they will need; and

WHEREAS, The Cal ISO proposed instead that wind plants pay for forecasts of their transmission needs on an hourly basis, and for schedules based on those forecasts to be used to assign transmission capacity, and

WHEREAS, In an order issued March 27, 2002 (Docket Nos. ER02-922-000 and EL02-51-000), FERC endorsed the Cal ISO proposal on intermittent resources; now therefore be it

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened at its July 2002 Summer Meeting in Portland, Oregon, endorses the March 27, 2002 FERC order and encourages other Transmission System Operators to incorporate similar rules for intermittent resources in their operating procedures.

Sponsored by the Committee on Energy Resources and the Environment

Adopted by the NARUC Board of Directors July 31, 2002