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## ***Need on Aligning Resource Assessment Hours***

**2018-02-22**

**2018-02-23**

## Issue

- While the CPUC establishes the RA policy and framework, the CAISO must implement portions within their market
- This includes the RAAIM mechanism which applies a penalty for failing to meet the must-offer obligation during certain hours of the day
  - Known as the Availability Assessment Hours (AAH)
- Similarly, the CPUC established Resource Adequacy Measurement Hours (Measurement Hours) that served to establish guidelines for the ability of Demand Response through the Demand Response Auction Mechanism (DRAM) to provide RA
- In 2017, the hours established by the CPUC and the CAISO became misaligned as the CAISO moved the AAH to better align with the shifting net load peak
  - This misalignment created issues for the DRAM contracts that had been entered into pursuant to the CPUC Measurement Hours
  - To address the issue, the CAISO filed at FERC a waiver of RAAIM associated with DRAM for the 2018 year

## Proposal

- To avoid differing incentives/penalties at the CPUC and CAISO, a decision should be made to align resource adequacy measurement hours with the CAISO AAH
  - This alignment must occur with sufficient time to be implemented in the solicitation for DRAM contracts