Self-Supply Participation

Self-supply requirements

What are the requirements for self-supply?

- *The SAM WIG developed the definition,*
- *The SAM definition evolved as the CMD and rules were developed,*

The WIG generally agreed with…

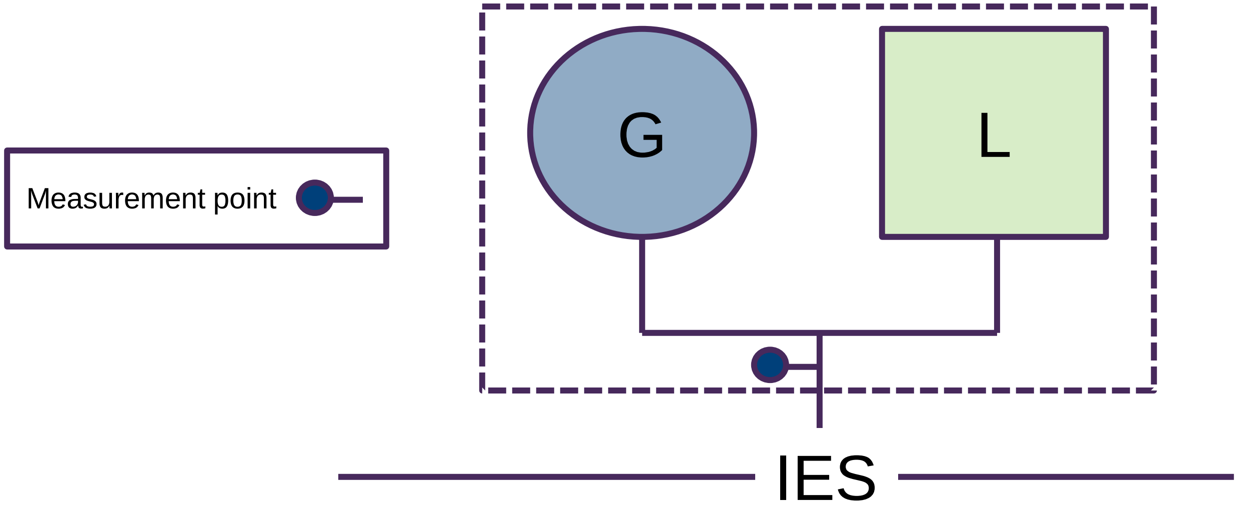
The following requirements for loads to be eligible to self-supply:

1. **The load must be capable of being served in whole, or in part by generation that is located on the same site and at the same point of interconnection to the electric system.**
2. **Sites with onsite generation that are net metered and cannot physically flow their gross volumes due to system connection limitations must self-supply.**
3. **Sites with onsite generation and no connection flow limitation can choose to self-supply with the following conditions:**
   a) **The site must have a bi-directional net interval revenue class meter at the connection to the electric system**

   b) **Be a pool participant**

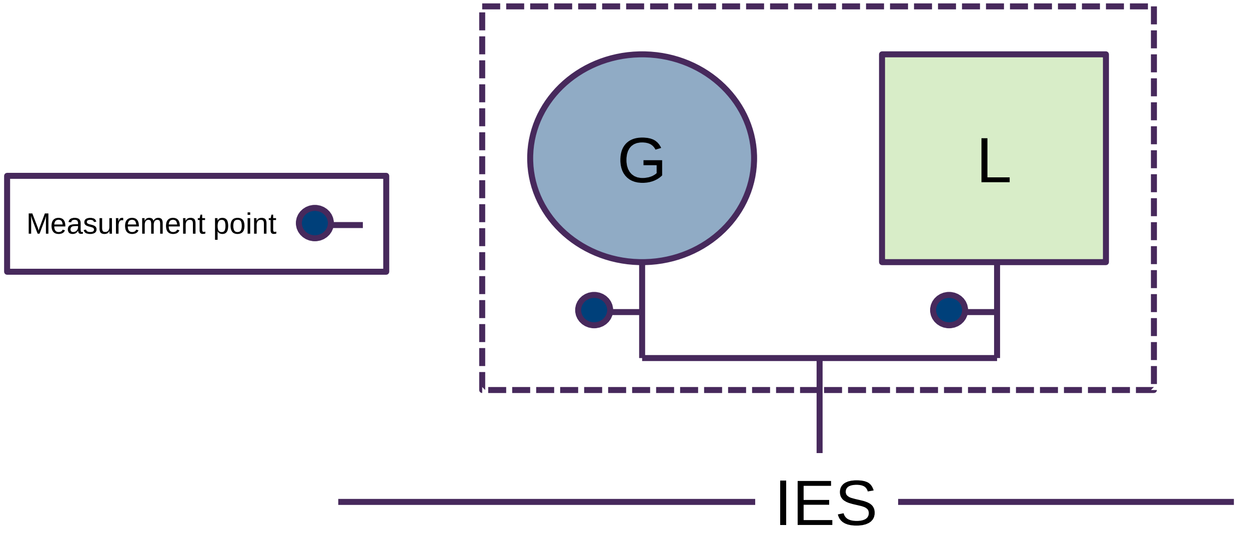
   c) **On-site generation must meet the minimum eligibility requirements for capacity resources (i.e. size, project milestones for new resources)**
4. **Self-suppliers can be connected to either the transmission system or the distribution system**

Net Configuration (self-supply)



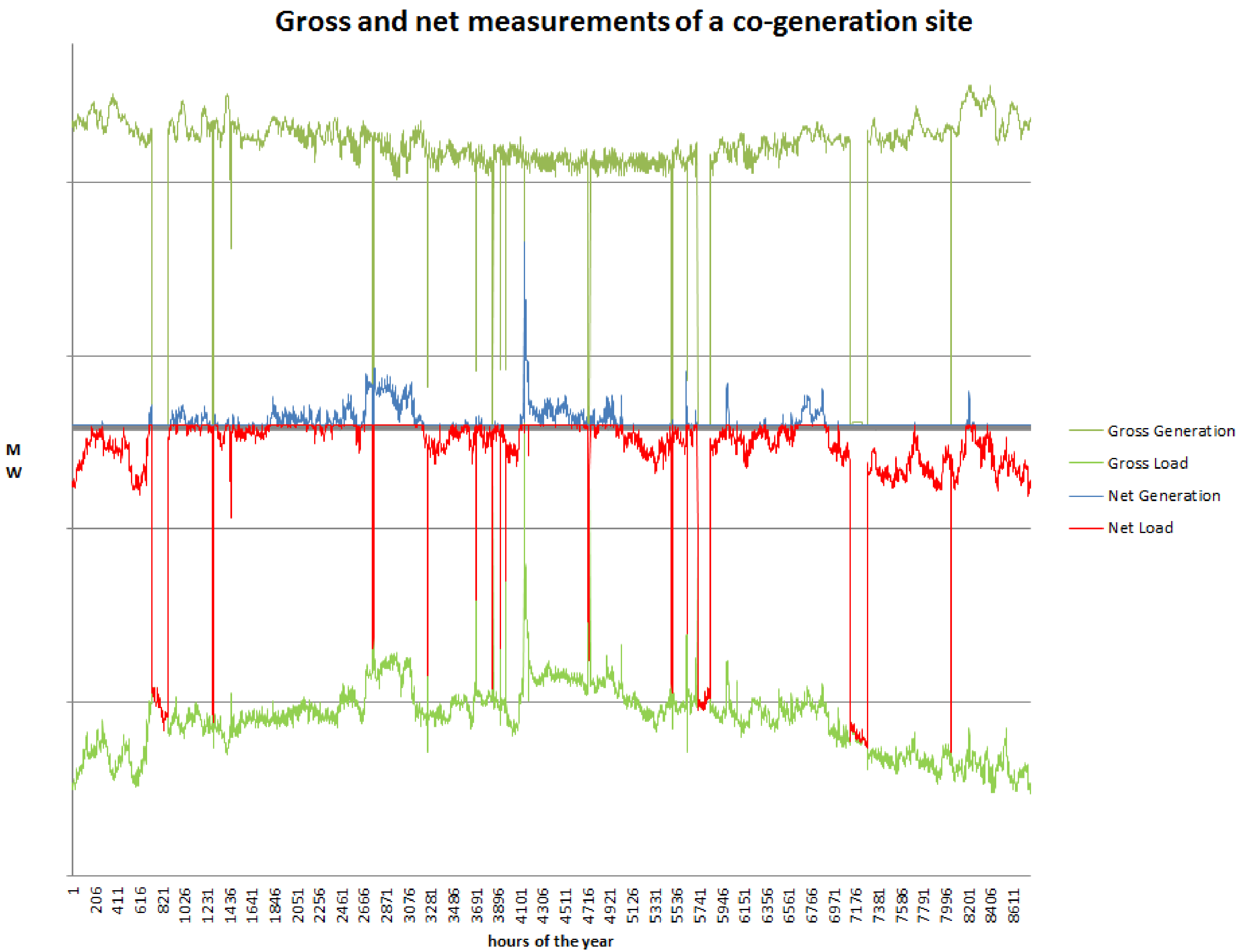
Load and generation on the same site but the measurement point is the same.

Gross Configuration (not self-supplying)



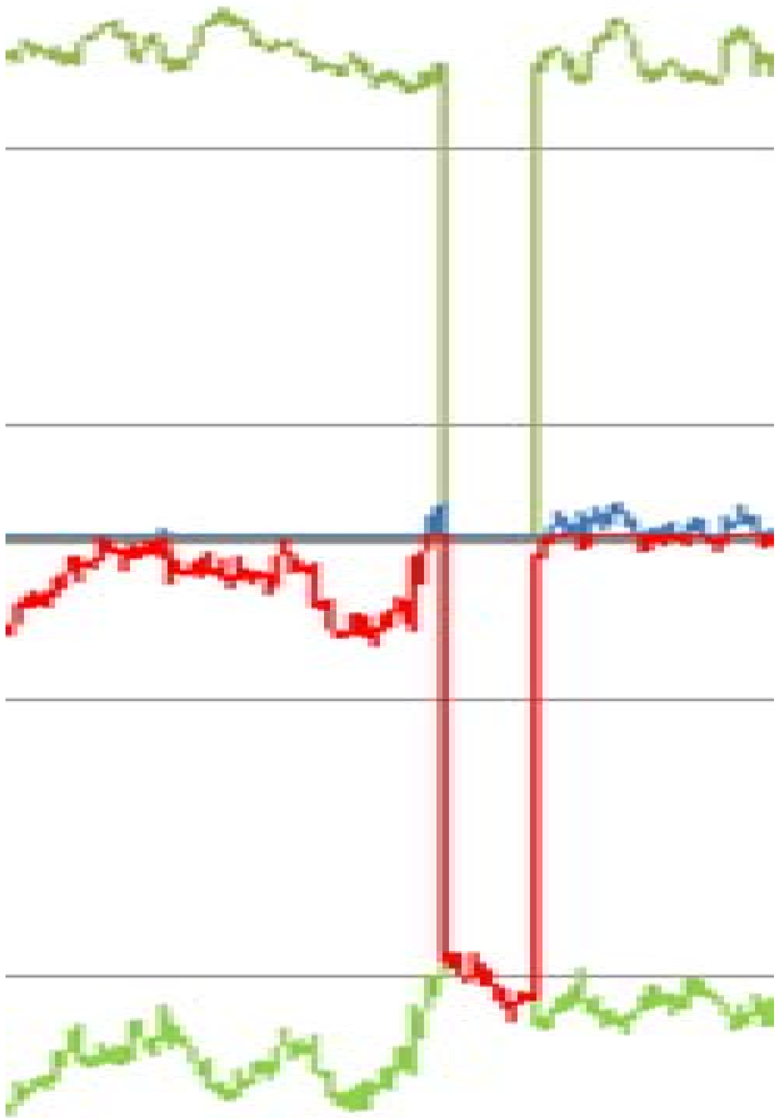
Load and generation on the same site but the measurement points are separated.

Example



Gross and net measurements of a co-generation site
M
W
Gross Generation
Gross Load
Net Generation
Net Load
1
206
411
616
821
1026
1231
1436
1641
1846
2051
2256
2461
2666
2871
3076
3281
3486
3691
3896
4101
4306
4511
4716
4921
5126
5331
5536
5741
5946
6151
6356
6561
6766
6971
7176
7381
7586
7791
7996
8201
8406
8611
hours of the year

Loss of generation at a self-supply site



Treatment of Self-supply

- Capacity is not purchased for self-supplied load
- There may be instances where the generation is not available
- A mechanism is needed to incent appropriate behavior in the market
- WIG developed and discussed options for how self-supply should be incorporated into the market

4 options were considered:

a) Require the self-supplier be curtailed by the ISO during performance events if not meeting their performance obligation.

b) Penalize the self-supplier at the value of lost load plus the curtailed loads capacity payment (penalties + liquidated damages).

c) Procure some capacity based on a probabilistic assessment of each self-supplier's dependence on the capacity market.

d) Apply the cost allocation formula to net load. If a self-supplier "takes" capacity in a prior year they pay for it in the future year.

RECOMMENDATION

The SAM WIG recommended Option D

Questions