

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Third Party Provision of Primary
Frequency Response Service**

Docket No. RM15-2

Comments of the California Independent System Operator Corporation

I. Introduction

The California Independent System Operator Corporation (CAISO) submits these comments in response to the Commission's notice of proposed rulemaking to revise its regulations to foster competition in the sale of primary frequency response service.¹ In this proceeding, the Commission proposes to amend its regulations governing market-based rates for public utilities pursuant to the Federal Power Act to permit the sale of primary frequency response service by sellers with market-based rate authority for energy and capacity. The Commission has proposed this change, in part, to allow transmission providers to purchase primary frequency response service from others if doing so would be economically beneficial to comply with reliability standard BAL-003-1, which requires balancing authorities to maintain a minimum frequency response obligation. The CAISO does not procure primary frequency response service as a separate market product, but is currently assessing mechanisms to ensure compliance with BAL-003-1, including potentially a market mechanism to secure primary frequency response. The Commission's notice of proposed rulemaking solicits comments on several issues relevant to providing primary frequency response service as a separate ancillary service.

¹ On February 19, 2015, the Commission issued its Notice of Proposed Rulemaking (NOPR) in RM 15-2: <http://www.ferc.gov/whats-new/comm-meet/2015/021915/E-2.pdf>

II. The proposed rule should not prejudice balancing authorities' approaches to comply with BAL-003-1

The Commission should recognize that balancing authorities may approach compliance with BAL-003-1 in different ways in light of different challenges. Procuring primary frequency response as a distinct ancillary service is one approach, but the Commission should not prejudice that approach as a necessary measure to comply with the reliability standard. Instead, given the variation among different transmission systems and resource fleets, the Commission should allow balancing authorities and their stakeholders to develop mechanisms tailored to meet the requirements of BAL-003-1 based on their specific circumstances.

III. Resources will need to meet minimum technical requirements in connection with any sale of primary frequency response service

As used in the NOPR, primary frequency response means the autonomous, automatic, and rapid reaction of an individual turbine-generator or other resource to change its output (within seconds) to rapidly dampen changes in interconnection-wide frequency.² The NOPR solicits comments concerning any unique technical requirements or limitations that might apply to primary frequency response service.³

The Commission will need to apply specific technical requirements to resources that offer primary frequency response service, including enabling transmission providers to verify that a resource has configured its governor or equivalent control equipment to provide the service and actually responded to a frequency event. Before procuring primary frequency response from third parties, transmission providers must be able to ensure resources meet these requirements. These requirements will also

² NOPR at PP 12 and 22.

³ NOPR at P 30.

inform asynchronous resources such as wind, solar and energy storage that seek to procure equipment necessary to provide this service. In its final rule, the Commission should also recognize that transmission providers, if they elect to purchase primary frequency response service, must have the tools to monitor the provision of the service in order to demonstrate compliance with BAL-003-1.

IV. Conclusion

The CAISO does not currently procure primary frequency response service as a separate ancillary service. To the extent the Commission amends its regulations as proposed in the NOPR, the Commission should not prejudge whether transmission providers must procure primary frequency response as a separate ancillary service product. The Commission should also express its intent to support and approve any transmission provider rules necessary and appropriate to monitor and assess performance of resources providing primary frequency response service.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the parties listed on the official service lists in the above-referenced proceedings, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated at Folsom, California this 27th day of April 2015.

1st Anna Pascuzzo

Anna Pascuzzo