



## CAISO 2017 Stakeholder Initiatives Catalog

### Bonneville Power Administration Comments

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Bonneville Power Administration (BPA) appreciates the opportunity to provide California Independent System Operator (CAISO) comments on 2017 Stakeholder Initiatives Catalog. Bonneville is encouraged by the refinements made to the 2017 Catalog process and we are eager to see the outcome of these refinements.

#### Discretionary Initiatives

##### 10.1 Enhancing Participating of External Resources

External generation resources can greatly enhance the value provided to the EIM Entities and the CAISO by lowering the cost of imbalance energy. Bonneville supports this initiative and looks forward to further discussion with CAISO and other stakeholders on the specific requirements for external resources to participate in the EIM.

##### 11.6 Flexible Ramping Product Enhancements

Bonneville supports this initiative and is interested in exploring day-ahead procurement of flexible ramping capability and discussing the appropriate market product characteristics and compensation structure for this essential product.

#### Additional Initiatives for Consideration:

Bonneville supports the following initiative proposed by WPTF

##### **11.6 Flexible Ramping Product Enhancements Energy and Ancillary Service Price Formation Assessment (D, E2)**

This initiative will assess the CAISO's success at effectuating the market elements of the ISO's most recent Strategic Plan and set forth recommendations on how to move forward with elements included in the Plan, including; how to ensure competitive prices, improve price transparency, develop appropriate financial support to keep needed plants online, and, develop market mechanisms to bring online resources offering operational flexibility. This initiative will explore holistically energy and ancillary service price formation issues in the context of high renewable penetration and make market design changes or recommendation for future initiatives as appropriate. Fundamentally the initiative will examine whether energy and ancillary service prices are providing a sufficient price signal to ensure needed flexible resource capabilities are being sufficiently compensated.

## Initiatives Currently Underway and Planned

### **5.4 Flexible RA Criteria and Must Offer Obligation Phase 2 (FRACM002)**

CAISO has indicated that flexible resources will be critical to the integration of additional renewable resources, yet this initiative has not moved beyond the Straw Proposal issued on December 11, 2015. CAISO proposed several criteria that would limit the participation of flexible generation outside of the CAISO Balancing Authority Area. Bonneville identified specific concerns in our January 6 comments. FRACMOO2 is important to the CAISO's operations and to Bonneville and we encourage the CAISO to re-start this initiative, begin addressing the concerns that stakeholders identified in the straw proposal, and explain the objectives driving the limitations that CAISO proposed for external resources providing flexible RA.

#### **5.11 Stepped Constraint Parameters:**

In the stepped constraint parameters initiative CAISO proposed several stepped relaxation parameters for the mandatory Resource Sufficiency standards in the EIM. Bonneville is opposed to the changes included in the May 10, 2106 Issue Paper because the proposed changes would allow EIM entities to lean on the market by making the Resource Sufficiency standards a financial option. This approach is not consistent with the original EIM principle that participants must come into the market with balanced demand and supply schedules before they can receive the benefit of lower cost EIM generation. The occurrence of power balance constraint and flexible ramping constraint administrative prices, which this initiative proposed to modify, declined significantly after the implementation of the Available Balancing Capacity tariff revision and CAISO has not articulated a specific need for the changes proposed in the Stepped Constraint Parameters initiative.