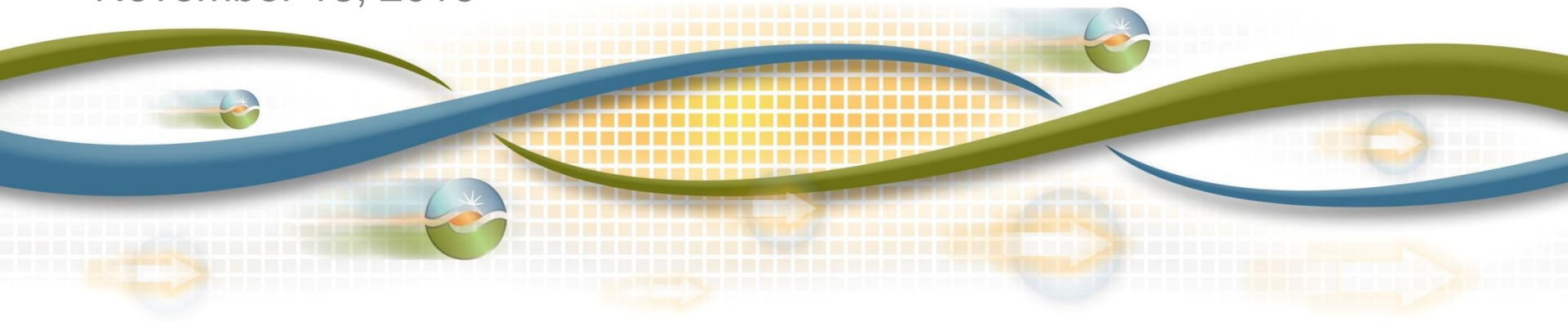




Flexible Resource Adequacy Capacity – Phase 2

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Scope

1. Enhancements to the existing flexible capacity product
2. Imports and exports providing flexible capacity, including any modifications to the EFC calculation to incorporate flexible capacity
3. Flexible capacity from storage resources not using the NGR model
4. Allocating the negative contributions of flexible capacity requirements

Overview

- Process: Review Flexible RA Capacity Showings and forecasted flexible capacity needs
- General findings: The flexible capacity showings to date indicate that the flexible capacity product is not sending the correct signal to ensure flexible capacity will be maintained long-term

Overview

- Next steps: Consider enhancements to the flexible capacity product that
 - Increase the overall availability and ramp rate of the flexible capacity fleet, while
 - reducing the minimum operating level of flexible capacity resources.
- Starting point: Review eligibility and criteria for providing flexible capacity (i.e. Ramp rate, start time, cycle time, daily starts)

The ISO has identified six issues potential areas to enhance the current flexible RA product

1. Ramping speed
 - Large single hour net load ramps
 - The transition from low net loads to steep ramps
 - Intra-hour variability
2. Cycle time for determining daily start requirements for base flexible capacity requires additional clarity
3. High minimum operating levels from both RA and flexible RA

The ISO has identified six issues potential areas to enhance the current flexible RA product

4. Most significant net load ramps occur on weekends or holiday weekdays
5. Significant quantities of long start resources may limit the ISO's ability to address real-time flexibility needs
6. There is currently no means in place for the ISO to assess the likelihood that the flexible RA showings will adequately meet all ramping needs

ISO's is re-scoping FRACMOO2 to address these issues

- The ISO has issued a supplemental issue paper expanding the scope of FRACMOO2 to address all six items
 - Single enhancements may resolve multiple concerns
- The ISO stakeholder meeting on December 5, 2016
 - Comments due December 19
- No current deadline to take a final proposal to ISO Board
 - Complete initiative schedule will work to facilitate collaboration and timing with local regulatory authority processes