

California Department of Water Resources State Water Project

California Department of Water Resources State Water Project Comments on Flexible Ramping Product Technical Workshop October 2, 2012

October 12, 2012

On October 2, 2012, the CAISO held a Flexible Ramping Product (FRP) Technical Workshop. The reason for this workshop was to present and review iDAM (integration of the Integrated Forward Market (IFM) and Residual Unit Commitment (RUC)) and to discuss changes to the FRP proposal.

Comments:

DWR supports the CAISO's efforts to create a product that resolves the need for greater ramping capability and at the same time allocate costs fairly among all participants. DWR's comments and concerns are as follows:

1. The CAISO should update the FRP Excel examples to align with the latest technical workshop changes. These examples are important to show how FRP costs will be allocated. The most notable changes are:
 - a. Remove self-scheduled resources from the fixed ramp category
 - b. Include self-scheduled resources in the supply category
 - c. Eliminate use of delta UIE
 - d. Calculate Net Load Movement
2. The CAISO should clarify how the threshold for the supply category was determined. The threshold is currently defined as the smallest of 3% of the day-ahead schedule or 5MW/6. DWR feels this threshold may be too small.
3. Under normal operating conditions, DWR makes all attempts to follow its day-ahead load schedule. However, sometimes unplanned physical conditions change after the day-ahead market closes, requiring a pump load schedule change. It is DWR's current practice to let the ISO know of any 50MW or greater deviation from a load's day-ahead schedule. DWR is not clear on how "called-in" load deviation from the day-ahead schedule will be allocated FRP costs.
4. The FRP proposal notes that procurement of FRP will be based on the net CAISO system load movement forecast, not just the forecasted load movement. The technical workshop clarifies that self-schedule and static inerties resources can minimize their allocated flex ramp costs by following net load movement. Does the

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ISO plan to provide a day-ahead net system demand forecast to allow participants to minimize their FRP costs? It would be helpful to self-scheduled and static intertie resources to know the day-ahead net system demand forecast (prior to submitting a day-ahead schedule) so that they can try to minimize their flex ramp costs if possible.

5. If all resources perfectly follow their schedules (no deviations by load, supply, or fixed categories) how and to whom will FRP costs be allocated?