

Stakeholder Comments Template

Reliability Services Initiative - Phase 2

Second Revised Straw Proposal

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the second revised straw proposal for the Reliability Services Initiative - Phase 2 that was posted on November 13, 2015. The second revised straw proposal and other information related to this initiative may be found at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ReliabilityServices.aspx>.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **December 9, 2015**.

If you are interested in providing written comments, please organize your comments into one or more of the categories listed below.

1. Clarify Local Regulatory Authority (LRA) interaction and process alignment.

First, LRAs should be permitted to update their information template on a monthly basis, if needed. CDWR's gross planning reserve margin can vary each month, depending on the amount of planning reserve margin credit earned by its Participating Load that is providing RA capacity. As a result, CDWR will likely need to update its information template more frequently than once a year.

Second, the deadline to submit the template should coincide with the deadline to submit the annual RA plan, and any updates to the template should be due at the same time as the monthly RA and supply plan. This will provide LSEs and LRAs sufficient time to make changes as close to the deadline as possible, given that the forecast of resources for next year (or next month) can be challenging and may need last minute changes to be accommodated. Keeping the same deadline will not hamper CAISO's validation, as validation is done after the submission of plans anyway.

Third, the template should have various terms (column titles) defined/described in one of the tabs to eliminate confusion and varying interpretations in completing the template.

Finally, CDWR requests clarification for how the template will account for planning reserve margin credit for capacity provided by a Participating Load, because Participating Load is not treated as a demand response adjustment.

2. Substitution for flexible capacity resources on planned outage.

No comment at this time.

3. Separate local and system RA for purpose of forced outage substitution.

The capacity from a local resource designated as system RA capacity, ideally, should be able to be replaced by any other system RA capacity. CDWR recognizes, however, that the complexity of implementing such a solution may be an issue. CDWR agrees that, at minimum, CAISO should consider partial local RA resources as a further enhancement in a future initiative.

In the interim, CAISO should make discretionary judgements to allow substitution by another system RA resource for a partial local RA resource outage based on ISO's reliability assessment, a concept similar to the replacement of a local RA resource on planned outage by a system RA resource. Allowing such discretionary substitution will be beneficial, because if the outage resource is not able to be substituted by another local resource, then substitution by another system resource helps improve reliability more than not having any substitution.

Future enhancement should consider scenarios with a single resource providing local, flexible category 1, flexible category 2, flexible category 3, and system RA simultaneously.

The proposal states, "*ISO provides additional clarity on the treatment of local resources for planned outages, and clarifies that resources can either be designated as local or system resources and resources cannot be designated as "partial" local*". Is this statement true only for the purpose of RAAIM assessment? In the existing rules, there is no provision that a resource must either be local or system RA for designation. A local resource can be designated for local obligation and should be able to meet system RA by any additional capacity available beyond the local capacity offered (offered local capacity to meet system RA also).

4. Process to update EFC list during the year.

To ensure sufficient capacity remains available to the ISO when use-limited RA resources are no longer available to the market, the ISO proposes not to exempt use-limited resources from RAAIM with limitations that extend beyond the current month. If there are known limitations and the known quantity it is easier to implement; however, in reality, limitations may occur in all months such as for water release requirements. In other word, a resource may need to be operating in use limited status for all months due to environmental requirements.

CAISO should consider updating EFC by itself once the NQC request is submitted and approved.

5. Masterfile changes and RAAIM availability.

Changes that alter the flexible capacity category eligibility, like changes to the number of starts per day, require additional treatment under RAAIM. The ISO proposes that resources that no longer qualify for a category of flexible capacity be assessed as being unavailable under RAAIM. In such case, there should be a mechanism that alerts (or notifies) the resource owner that changing the Masterfile parameter impacted its eligibility for a particular flexible capacity

category. The resource owner then can make adjustments to the RA capacity provided by such resource.

6. Address the RAAIM exemption currently in place for combined flexible capacity resources.

No comment at this time.

7. Streamlining monthly RA showings.

Automatic rollover of RA plan should be ok. However, if an LSE needs to change the RA plan during the monthly update process, the LSE should be able to submit a revised RA plan. Will the LSE submitted revised monthly RA plan override the rolled over annual RA plan? Or, will an SC need to request ISO for “resubmittal required” flag?

8. Other.

How does the ISO identify resources that are exempt from RAAIM? Under RSI, resources such as participating load, wind and solar resources are exempt from RAAIM. Will there be a flag that identifies RAAIM exemption for each resource ID? Will these resources be RAAIM exempt irrespective of use limited status or does each of these resources need to prove that it is a use limited resource?