



Stakeholder Comments Template

Resource Adequacy Enhancements – Straw Proposal Part 1

This template has been created for submission of stakeholder comments on Resource Adequacy Enhancements Straw Proposal Part 1 that was published on December 20, 2018. The Straw Proposal Part 1, Stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submitted by	Organization	Date Submitted
<i>Mona Tierney-Lloyd</i>	<i>Enel X N. A., on behalf of Enel X and CPower</i>	<i>2/7/19</i>

Submissions are requested by close of business on February 6, 2019.

Please provide your organization's comments on the following issues and questions.

1. Rules for Import RA

Please provide your organization's feedback on the Rules for Import RA topic. Please explain your rationale and include examples if applicable.

The Enel X and CPower request clarification that the proposal that import RA have availability requirements 24 hours/7 days per week would not apply to availability limited resources.

2. RAIM Enhancements & Outage Rules

- a. Please provide your organization's feedback on the Addressing Planned and Forced Outage Issue topic. Please explain your rationale and include examples if applicable.

Enel X and CPower have no comments at this time; but, may supplement its comments based upon the comments of others.

- b. Please provide your organization's feedback on the RAIM Enhancements topic. Please explain your rationale and include examples if applicable.

- i. Please provide your organization's feedback on the Availability & Performance Assessment Triggers options presented in the proposal.

Enel X and CPower agree that performance should be measured as well as availability. However, Enel X and CPower have a concern associated with the CAISO determining replacement value and distinguishing among types of RA (local, system and flexible). From the Demand Response Auction Mechanism (DRAM) experience, which is an important way to permit DR resource participation in CAISO through the Proxy DR Resource Module, and through the DRAM Evaluation Report that was prepared by Energy Division Staff, there is little to no distinction in "perceived value" among the buyers of RA among these RA types. It is unclear what method or mechanism the CAISO will use to incorporate a distinction in price. However, Enel X and CPower would be concerned if that method/mechanism would be disconnected from the value associated with the transaction of RA between buyers and sellers.

3. Local Capacity Assessments with Availability-Limited Resources

Please provide your organization's feedback on the Local Capacity Assessments with Availability-Limited Resources topic. Please explain your rationale and include examples if applicable.

In this section, it would appear that CAISO is planning to change the way that they determine local capacity assessments. To date, local capacity resources have not had differing availability or performance obligations as between local capacity area. In the future, it would appear as though that may change. In changing the way that local capacity areas are analyzed and potentially modifying the requirements of those resources by LCA, it would appear that this effort would require close coordination with the CPUC in determining the local capacity requirements. This modification would need to be coordinated with enough lead time for buyers and sellers to ensure that their product will meet the local capacity requirements and count for local RA.

On p. 19, the Straw Proposal indicates that the CAISO will conduct power flow analysis after the LSEs submit their RA demonstrations. While the Straw Proposal indicates that the CAISO will provide guidance based upon its Local Capacity Technical Study, a "hind sight" analysis can lead to inefficient procurement. The Straw Proposal, at p. 17, that local RA is based upon peak demand without regard for the duration that may be required of these resources. The Enel X and CPower request clarification of this statement as it relates to the MCC buckets and why that does not provide limitations on availability limited resources.

4. Meeting Local Capacity Needs with Slow Demand Response

Please provide your organization's feedback on the Meeting Local Capacity Needs with Slow Demand Response topic. Please explain your rationale and include examples if applicable.

Enel X and CPower object to the term "Slow Demand Response" when there are plenty of generation resources that are more slow than DR and yet we do not call them slow, like long-start resources. Slow, in this instance is 52.5 minutes or 22.5 minutes. Relative to the desired 20 minute timeframe, 22.5 minutes doesn't seem terribly slow.

While Enel X and CPower appreciate the efforts made by CAISO to include DR into consideration as a local capacity resource, the Joint DR Parties still do not agree that the NERC Requirements that apply to the CAISO for rebalancing the grid after a contingency within 30 minutes is the appropriate basis for applying a 20 minute response requirement upon DR resources. Once again, no other ISO has imposed a 20-minute requirement upon DR resources as a result of the NERC requirement. Those ISOs/RTOs that have developed a mandated response time, in PJM it is 30 minutes, apply that standard to all resources, not just DR. However, all resources have the ability to request an exemption to the 30 minute response time based upon operational limitations. The standard and the exemption process are the same for all resources. Once again, generating resources that are not capable of meeting a 20-minute response time, such as long-start resources, still count for local RA. These disparities are still concerning for DR resources.

As far as the mechanism proposed, which is to use the ESDER 3 proposal that allows DR resources to use the intertie scheduling structure, with hourly or 15-minute options, it is an improvement over simply being dispatched with 20-minutes notification or through the RT market.

As Enel X and CPower understand the straw proposal, DR resources would be committed in the day-ahead on a pre-contingency basis and the dispatch instructions would carry through to real-time, with the corresponding 52.5 or 22.5 notification period, for an interim period of time. Enel X and CPower do not know the frequency with which pre-contingency conditions are met, including through the utilization of the MOD. This is important for planning purposes so that resource owners can anticipate the number of possible dispatches. It would be helpful to have some historical analytics to provide some insight as to that potential.

The Straw Proposal is unclear as to how long this "interim" structure would be in place or when a permanent solution would be implemented.

Also, any proposal that includes a new requirements that DR resources would have to meet in order to qualify as local capacity resources must go through the CPUC's RA Process in order to align the CAISO and CPUC requirements for local RA.

Additional comments

Please offer any other feedback your organization would like to provide on the RA Enhancements Straw Proposal Part 1.