

# Stakeholder Comments

## FRACMOO 2 Working Group Meeting (Sep 26, 2017)

This template has been created for submission of stakeholder comments on the FRACMOO 2 Working Group Call that was held on August 2, 2017. The working group presentations and other information related to this initiative may be found at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/FlexibleResourceAdequacyCriteria-MustOfferObligations.aspx>

Submitted by	Company	Date Submitted
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LS Power appreciates the opportunity to provide these comments. LS Power commends CAISO staff for their work in collecting and presenting recent operational data that shows the Flexible Capacity issues already impacting the grid. LS Power supports CAISO in its recommendations on the need to develop new Flexible Capacity products. Given the extent of these issues already showing up in Real Time operations and the looming retirements of the Once-Through-Cooling fleet, the flexibility challenges will only get worse. It is prudent planning to develop more flexible capacity products before the operational issues become unmanageable or needlessly expensive. LS Power strongly recommends that efforts on this initiative be expedited such that new products can be developed and procured in a timely fashion.

LS Power has these specific comments:

### **Timing & scope of this initiative:**

CAISO should prepare a timeline for this initiative including milestones for CAISO Board Approval. Regarding scope of this initiative, CAISO should clarify if it will also be using The Brattle Group to conduct an operational assessment as presented at the August stakeholder meeting, and, if so, how will that tie in with rest of the work.

### **LS Power supports CAISO's recommendations regarding development of Flexible Capacity Products**

LS Power supports CAISO's recommendation that a new Flexible RA framework needs to be developed and generally agrees with the initial conceptual framework presented by CAISO. CAISO's analysis shows the need for having enough Flexible Capacity to handle both upward and downward ramp needs. CAISO's proposal of developing four Flexible Capacity products: Day Ahead, Fifteen Minute, Five Minute and Regulation makes sense. As LS Power previously

noted in its comments, unless market products are improved to incentivize resources that address these operational issues, there will be no choice left but to handle these issues in Real Time, which may lead to exceptional dispatches (Out of Market), procuring more Ancillary Services (added ratepayer cost), and significantly more renewable curtailment (hurting progress towards GHG goals).

We thank CAISO for the opportunity to submit these comments, and strongly urge all stakeholders to support market mechanisms to incentivize truly flexible capacity that will enable California to meet its GHG goals in the most cost effective and reliable manner possible.