



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
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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.

LS Power supports the ISO consideration of options to ensure more comparable treatment of System RA between import RA and internal California RA resources. Requiring RA import resources to be resource specific and/or provide greater certainty that they represent supply sourced from a specific Balancing Area, are transferred through a specific intertie into the ISO system, and are associated with MIC will significantly improve the integrity of the RA program and overall system reliability.

In light of the unprecedented volume of load migration occurring in California, LS Power encourages the ISO to adjust its maximum import capability allocation process away from using historical import schedule data during peak load periods for the prior two years to using forecast peak loads transferred as a result of load migration. The MW of existing contracts and Transmission Ownership Rights over the Intertie held by load serving entities that no longer serve Load within the ISO Balancing Authority Area

is increasing and the MIC allocation process needs to be modified as historical conditions no longer represent future market realities.

Furthermore, as California transitions away from in state natural gas generation as a primary source of System RA and evening ramping support, the state will require additional specified source imports both for carbon free energy and system RA in order to achieve California's SB 100 objectives while maintaining system reliability. As the Effective Load Carrying Capacity of renewables declines and conventional OTC unit retirements continue, existing and new OOS resources will be well positioned to support the state's interim and long-term reliability needs if the accounting framework properly values specified sources of energy and RA over unspecified speculative supply.

LS Power supports the ISO consideration of aligning import RA MOO to 24 hours, 7 days a week. Because specified source imports would require firm transmission it is logical that they could also provide import RA if the right market incentives were available to warrant transmission commitments.

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.

No LS Power comments

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

LS Power supports the ISO option of seeking different pricing structures for each capacity type. Instituting three separate capacity values, one for System, one for Local, and one (or more) for Flex will increase incentives for existing resources to invest in operating enhancements to improve operational flexibility as well as accelerate investment in needed energy storage.

While the minimum 4 hour duration required to qualify for RA may well serve most of the operation needs of the grid, LS Power encourages the ISO to consider that in periods of steep ramping, infinitely flexible, short duration high capacity resources may prove to be more cost effective and provide even greater operational flexibility and should be defined as a separate RA product or added to the Flex RA definition. CAISO's FRACMOO2 proposals in past have discussed the need for a 15-min and 5-min flexible capacity product and this work could be utilized for developing separate Flex RAIM Enhancements.

LS Power also supports incentives for resources that demonstrate their ability to bid above their RA value and perform well when dispatched.

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

LS Power agrees that any enhancements should simplify availability/performance assessment and be based upon objective and transparent market triggers. Specifically, Flexibility Based Triggers e.g., Maximum monthly net load ramps, and Monthly Maximum deviation between Day-Ahead and Real-Time forecasts, are most likely to address the ISO's operational needs and be least subject to issues of gaming and market power. LS Power suggests the ISO consider the use of availability incentives for resources that offer and deliver: a) availability of product for net load evening ramps, b) product that can mitigate deviations between DA and RT forecasts, c) lower min load requirements, d) steeper ramp rates, e) reduced start times.

As the ISO notes in its issue paper, flexible capacity counting rules may not sufficiently align with system and locational operational needs. LS Power strongly encourages the ISO to implement changes to the flexible capacity product and flexible capacity needs determination to better align Flex resource operational capabilities with the ISO's actual operational needs.

LS Power supports the ISO's concept that any RAIM incentive be based upon both availability and resource performance relative to ISO commitments and dispatch instructions taking into account how well a resource actually performs.

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.

LS Power understands CAISO's rationale for conducting duration based assessments to local capacity is available for the duration a local pocket needs it. While we support CAISO's proposal of assessment of this need after LSEs show CAISO the product they have procured to address the needs, we do not support any disqualification this assessment may create. For instance, if the local assessment suggests needing a 60 MW product for 6 hours and if a LSE procured a 60 MW, 1 hour Limited Energy Storage product, this should still count as 10 MW towards this need, rather than getting disqualified.

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.

N/A

Additional comments

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