



## Stakeholder Comments Template

### CAISO RA Workshop: Current Processes and Interoperability with the CPUC's Slice of Day Reform

This template has been created for submission of stakeholder comments on the CAISO RA Workshop: Current Processes and Interoperability with the CPUC's Slice of Day Reform stakeholder call that was held on June 06, 2023. The meeting presentation and meeting recording for this initiative have been posted to the Miscellaneous stakeholder meetings [webpage](#).

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **June 20, 2023**.

Submitted by	Organization	Date Submitted
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### Please provide your organization's comments on the following issues and questions.

1. *What feedback does your organization have on the CAISO's approach to treat the CPUC's Slice of Day reform 2024 (test year) as informational only?*

MRP believes the ISO should gather peak-hour showing values for all resources for each month of the test year to compare specifically how battery energy storage system ("BESS") resources are shown to the CPUC to meet Slice of Day ("SoD") Resource Adequacy ("RA") plans as compared to how they will be shown for CAISO RA plans. MRP understands that the CAISO will not be conducting or participating in the CPUC's SoD test year, and thus may not find issues until after full implementation go-live.

MRP is concerned about two potential issues:

- A) Four-hour BESS resources are shown in CPUC RA plans to meet LSE RA requirements in a way that stretches the time over which the battery is shown from four hours to a duration greater than four hours, which may reduce the QC value that can be shown during peak hours. In that case, the values shared by the CPUC to the CAISO may not accurately reflect the must offer obligation of the BESS. CAISO's systems may only enforce CAISO rules based on that shown QC value across shown hours, rather than a QC value based on four

hours as is required for the current RA program.

- a. For example: if Resource A is a 100 MW/400 MWh BESS resource is shown across five hours for 80 MW/hour and a total of 400 MWh across all five hours. In this case should the shown RA be 80 MW or 100 MW? Additionally, what if the five hours “shown” to the CPUC do not cover the traditional peak hours (4 to 9 pm)?
  - b. Alternatively, if Resource A is shown for five hours with varying MW for each hour, but still results in a total of 400 MWh, what would the peak hour values being shared with the CAISO look like and how would the resource showing define the resource’s must offer obligation?
  - c. Assuming that LSEs would show the same portfolio for the current RA program as for the SoD showing, MRP believes the CAISO can compare the values shown in the supply plan with the values shared with the CAISO. This may provide some information as to whether there will be any changes in the future. If the CAISO will request a matching supply plan of 100 MW for both two examples above, then the CAISO should explain to LSEs how and why values shown on the CPUC and CAISO’s RA plans will be different. If the CAISO believes that the supply plan values should match that of the RA plans instead, e.g. 80MW or highest of the varying hourly values, then the CAISO should clarify the impacts to the must offer obligations, residual unit commitment process and capacity procurement mechanism.
- B) Assuming an LSE shows two (2) four-hour BESS resources in sequential order to meet an eight-hour need. If the CAISO would see two shown resources and validate the sum of those resources’ QC values against a single hour peak demand + Planning Reserve Margin (“PRM”) RA requirement, then effectively, the LSE would be “over-showing” resources relative to its RA requirement. This will give the CAISO an artificial surplus because it would be stacking resources instead of validating resources only shown for the peak hour. The reason the CAISO requires both resources to be shown is simply to create a must offer obligation and address SIBR bid insertion and numerous other downstream effects caused by the limitations of CAISO’s current systems.
- a. MRP believes the CAISO must ensure the PRM used is appropriate for the RA program it is administering, which will be different than for the CPUC’s SoD program. It would be inappropriate to apply the CPUC SoD RA PRM to the CAISO’s current RA program because the SoD PRM will not account for resources shown in other hours. .
2. *What feedback does your organization have on the CAISO’s approach to address compliance for the CPUC’s Slice of Day reform in 2025 (implementation year) as a part of the broader Resource Adequacy (RA) Enhancements initiative?*

At this point, MRP does not believe that the RA Enhancements initiative, or any other CAISO initiative, will have much impact on the SoD implementation year because the CAISO already has stated that it does not expect to make any systems changes to incorporate the SoD framework. MRP agrees that the CAISO can maintain reliability using its current systems as long as the CAISO is able to resolve the issues identified above during this workshop process and as long as the CAISO accounts for the limitations of its systems in establishing RA requirements. As a threshold matter, the question of whether the CAISO will modify its systems and establish other policies to switch to a 24-hour SoD framework depends on whether other non-CPUC LRAs and other stakeholders whose RA programs are subject only to CAISO Tariff requirements will support such a switch. MRP believes that the CAISO should either make that decision to modify its systems to integrate with the SoD framework or gather the feedback needed to make that decision first.

3. *Are there any key risks your organization has identified if the CAISO does not make any changes to the CAISO's RA program and processes for resource adequacy year 2024 or 2025, with respect to the CPUC's Slice of Day reform?*

Please see the response to question 1. MRP is concerned whether the CAISO will be able to compare relevant QC values to RA requirements by using the appropriate non-SoD PRM. It would be improper to use a non-SoD PRM to validate compliance with a SoD portfolio.

4. *Is there a data analysis approach your organization has developed or analysis your organization recommends the CAISO should develop to analyze the CPUC's Slice of Day reform effort?*

Please see the response to question 1. Additionally, MRP recommends the CAISO conduct Loss of Load Expectation (LOLE) analysis to set the CAISO's default PRM value based on the capacity counting conventions and other monthly RA program design features of the LRAs. MRP believes this LOLE analysis would complement and enhance the various other studies being performed by various agencies in California.

5. *What topics does your organization recommend the CAISO address in upcoming RA Enhancements working group meetings? Do you have a recommended prioritization?*

MRP recommends the following topics:

- a. LOLE analysis – finding the “right” portfolio that matches the monthly RA program to achieve a 0.1 LOLE;

- b. Update the Default PRM and consider whether it should be a Minimum PRM;
  - c. QC counting – Whether the CAISO’s RA tariff provisions will use UCAP/ELCC/Perfect Capacity (PCAP) counting methods;
  - d. Implementing an outage substitution market to address substitution requirements that affect Resource Adequacy Availability Incentive Mechanism (“RAAIM”) settlements; and
  - e. CPM enhancements beyond updating the Soft Offer Cap level, such as mandating that the CAISO exercise its backstop authority to address shortfalls rather than simply giving the CAISO the discretion to do so.
6. *For non-CPUC jurisdictional LRAs, are there any changes occurring to your RA program in the next few years that the CAISO should be aware of?*
7. *Please provide any additional comments you may have on the workshop discussion.*