

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative
“RMR and CPM Enhancements.”

Submit comments to initiativecomments@caiso.com

Comments are due January 10, 2019 by 5:00pm

The December 12, 2018 second revised straw proposal and the presentation discussed during
the December 20, 2018 stakeholder conference call can be found on the following webpage:

http://www.caiso.com/informed/Pages/StakeholderProcesses/Review_ReliabilityMust-Run_CapacityProcurementMechanism.aspx.

Please use this template to provide your written comments on the items listed below and any
additional comments that you wish to provide.

1. Comments on December 12, 2018 second revised straw proposal.

RMR and CPM

- a. Provide notice to stakeholders of resource retirements

Comments: [NCPA supports notices for all resource retirements, regardless of unit size.](#)

Clarify use of RMR versus CPM procurement

Comments: [NCPA supports the clarification offered in the second revised straw proposal.](#)

- b. Explore whether Risk of Retirement CPM and RMR procurement can be merged into one mechanism

Comments: NCPA supports merging ROR CPM with RMR.

RMR

- c. Develop an interim pro forma RMR agreement

Comments: NCPA supports the development of the interim pro forma RMR agreement.

- d. Make RMR resources subject to a must offer obligation

Comments: NCPA supports making RMR resources subject to MOO.

- e. Consider making RMR resources subject to the Resource Adequacy Availability Incentive Mechanism

Comments: NCPA has no comment at this time.

- f. Consider whether RMR Condition 1 and 2 options are needed

Comments: NCPA supports elimination of condition 1.

- g. Update rate of return for RMR compensation

Comments: NCPA agrees that the fixed 12.5% ROE should be removed from the pro forma RMR. NCPA does not oppose CAISO's proposal to require a resource owner to propose and justify a rate of return for its resource in its RMR rate schedule filing at FERC following RMR designation. NCPA also would not oppose a default presumption that an average of the three IOU's transmission ROEs is a just and reasonable ROE for an RMR unit.

- h. Align pro forma RMR agreement with RMR tariff authority that provides ability to designate for system and flexible needs

Comments: NCPA has no comment at this time.

- i. Allocate flexible Resource Adequacy credits from RMR designations

Comments: NCPA has no comment at this time.

- j. Streamline and automate RMR settlement process

Comments: NCPA supports streamlining this process.

- k. Lower banking costs associated with RMR invoicing

Comments: NCPA has no comment at this time.

CPM

- l. Change CPM pricing formula for resources that file at FERC for a CPM price above the soft-offer cap price

Comments: NCPA does not believe 20% adder that is being proposed has been fully justified.

- m. Evaluate if load serving entities are using CPM for their primary capacity procurement

Comments: NCPA has no comment at this time.

2. Other Comments

Please provide any additional comments not associated with the items listed above.

Comments: NCPA is concerned with the underlying assumptions associated with the use of the term central buyer in section 7.1.2. As CAISO notes, that concept is still under development at the CPUC. Further, it is a controversial subject and a role that no entities, including IOUs and CAISO, have the desire or ability fill by 2020.

NCPA would also like to emphasize that numerous LSEs, such as NCPA and its members, are subject to the jurisdiction of their individual LRAs and not the CPUC with regard to RA procurement. Even in the event that a Central Buyer is established, NCPA and its members will most likely not rely on that entity to procure local (or system or flexible) resource adequacy on its behalf.

Finally, Figure 3 – the RMR Notice and RA Process Timeline states “ISO publishes results of retirement/mothball study, and provides this info to central buyer”. NCPA strongly believes that this information should be distributed to all applicable LRAs, not just a central buyer, because there will still be LSEs procuring local (and other) RA on their own behalf. .