

## Stakeholder Comments Template

### Subject: Regional Resource Adequacy Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Draft Regional Framework Proposal for the Regional Resource Adequacy initiative that was posted on December 1, 2016. Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **January 11, 2017**.

Please provide feedback on the Regional RA Draft Regional Framework Proposal below.

The ISO is especially interested in receiving feedback that indicates if your organization supports particular aspects of the proposal. Alternatively, if your organization does not support particular aspects of the proposal, please indicate why your organization does not support those aspects.

- Short-Term Capacity Arrangements.** NRG opposes the proposal to allow short-term spot market capacity arrangements (which can be executed after the Resource Adequacy showings) to count up to 10% of an entity's RA obligation. Such a provision runs completely counter to the tenets of the current CPUC-jurisdictional RA program, which generally requires capacity from specific resources to be arranged for and shown well in advance.
- Setting RA Qualifying Capacity Values for Wind and Solar Resources through Effective Load Carrying Capability (ELCC) Analysis.** While NRG does not oppose using ELCC analysis to set wind and solar QC values, and supports the concept of a common methodology to establish capacity values for all jurisdictions, the prospect of an ELCC-focused CAISO stakeholder process separate from the efforts already underway to develop the use of ELCC analysis in the current Resource Adequacy proceeding (R.14-10-010) needlessly subjects market participants to double-jeopardy with regards to the difficult work of considering the complex, complicated details of using ELCC analysis. The CAISO and CPUC must work together to develop a common ELCC analysis that will be applied to all resources.

- **Limit on RA Capacity from REM-NGRs.** NRG supports the CAISO assessing the need to apply a limit on how much RA capacity can reliably come from 15-minute duration REM resources.
- **Allowing External Resources to Substitute for Internal Resources.** The CAISO has proposed to allow external resources to substitute for internal system resources where there is adequate import capability to provide for delivery of power from the import resource. The CAISO initially considered a second condition, namely, to require that the import resource be subject to a 24x7 must-offer obligation (MOO), but dropped that second condition. The CAISO dropped that second condition because it currently allows subset-of-hours contracts to qualify as RA resources, and those resources may only have a 5x16 or even 5x8 MOO.

The CAISO decision to allow external resources with inferior MOOs to substitute for internal resources highlights the discrimination between the conditions that are imposed on internal and external resources providing RA capacity. If the CAISO has gotten comfortable with allowing 5x16 or 5x8 resources to provide RA capacity, the CAISO should allow internal resources the ability to adopt the lower quality MOO while still providing RA capacity. In any case, re-examining what resources should be subject to what MOO may be a good idea given Energy Division's proposal to eliminate the Maximum Cumulative Capability in the RA proceeding.