

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Second Revised Draft Framework Proposal posted on April 27, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due May 17, 2018 by 5:00pm

The Second Revised Draft Framework Proposal posted on April 27, 2018 and the presentation discussed during the May 3, 2018 stakeholder meeting may be found on the [FRACMOO](#) webpage.

Please provide your comments on the Second Revised Draft Framework Proposal topics listed below and any additional comments you wish to provide using this template.

Identification of ramping and uncertainty needs

The ISO has identified two drivers of flexible capacity needs: General ramping needs and uncertainty. The ISO also demonstrated how these drivers were related to operational needs.

Comments:

[No comments](#)

Definition of products

The ISO has outlined the need for three different flexible RA products: Day-ahead load shaping, a 15-minute product, and a 5-minute product.

Comments:

No comments

Quantification of the flexible capacity needs

The ISO has provided data regarding observed levels of imbalances, in addition to previous discussion of net load ramps.

Comments:

No comments

Eligibility criteria, counting rules, and must offer obligations

The ISO has identified a preliminary list of resource characteristics and attributes that could be considered for resource eligibility to provide each product. Additionally, the ISO has proposed new EFC counting rules for VERs and storage resources that are willing to provide flexible RA capacity.

Comments:

National Grid supports the proposal to allow a storage resource to count its full operating range (from charge to discharge) if it can transition in 15 minutes or less, but believes this policy should not be limited to resources providing the day ahead load shaping product. National Grid believes that storage projects - particularly pumped hydro storage projects - should be allowed to count their full operating range (from charge to discharge) for real time flexibility products as well. Failing to adopt this change will yield the result that the technology which offers the highest degree of ramping flexibility (pumped hydro storage) will be limited to supplying the product with the least need for flexibility (load shaping).

National Grid supports the proposal to allow EIM resources and purely external resources the opportunity to provide flexible capacity to the California market. National Grid agrees that an LSE in California should be able to demonstrate that it has sufficient MIC to allow an external resource to count towards its flexible capacity requirement. National Grid encourages the CAISO and other California stakeholders to engage in policy level discussions with NW transmission owners to help ensure that LSEs in California with a MIC allocation have access to their preferred supplier of flexible capacity across the transmission grid in the Northwest.

Equitable allocation of flexible capacity needs

The ISO has proposed a methodology for equitable allocation of flexible capacity requirements. The ISO seeks comments on this proposed methodology as well as any alternative methodologies.

Comments:

No comments

Next Steps

The ISO is currently planning to issue a draft final framework on June 6, 2018. However, given the schedule change in the CPUC's RA proceeding, the ISO will not release a draft final framework until July 10, 2018. The ISO seeks stakeholder input regarding next steps that should be taken to further enhance the ISO's framework. Options include, but are not limited to, another full iteration or working groups.

Comments:

No comments

Other

Please provide and comments not addressed above, including any comments on process or scope of the FRACMOO2 initiative, here.

Comments:

The CAISO has stated that its flexible RA framework should achieve the twin goals of; 1) providing signals to help ensure the efficient retention and retirement of existing resources and 2) providing the CAISO with a resource portfolio that meets grid reliability needs in all hours of the year.

National Grid suggests that ensuring the efficient development, retention and retirement of resources needed to meet flexible capacity needs requires a long-term procurement process. The proposed annual procurement of flexible capacity is not likely to support efficient development, retention and retirement of new flexible capacity resources. Developers considering investment in new flexible resources need long term contracts to justify their investment; project owners considering additional maintenance and upgrades in existing projects must also have some certainty around whether those investments can be recovered. Projects without a long term contract to provide flexibility should be allowed to retire. Reliance on an annual procurement mechanism will not meet the CAISO's goal of sending price signals to market participants regarding the efficient development, retention and retirement of a fleet of flexible resources. While National Grid urges the CAISO to recognize that a significant quantity of the CAISO's flexible capacity needs must be procured on a long term (multi-year) forward basis.