

California Independent System Operator
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NextEra Energy Resources Comments Opposing DOT Draft Tariff Revisions

NextEra Energy Resources, LLC (“NextEra”) appreciates the opportunity to submit comments on the dispatch operating target draft tariff revisions dated March 22, 2018. NextEra supports the CAISO proposing additional mechanisms and market rules to increase renewable integration and reduce grid instability, but opposes the changes requested through solely a tariff filing or the reasons discussed below.

Procedural Propriety- The CAISO Should Not Make Policy Changes Solely Within a Tariff Process without the Opportunity to Discuss Underlying Policy Issues

The CAISO proposal constitutes a significant policy change with implications for assets owners of wind and solar resources that need to be thoughtfully considered and evaluated in a stakeholder forum. It is not appropriate for the CAISO to hold a single tariff call on the policy changes. Therefore, NextEra respectfully asks the CAISO to expand and extend this stakeholder process.

The Draft Tariff Does Not Consider the Technical Capability of Wind and Solar Facilities to Respond to Five-Minute Dispatch Instructions

The draft tariff provides for the CAISO issuance of direct instructions to an Eligible Intermittent Resource (EIR) not to exceed their dispatch target regardless of whether the resource had an economic offer in the market. This is problematic since many wind and solar resources do not economically offer into the market because they do not have the technical capability to follow a five-minute dispatch instruction. To NextEra’s knowledge, the CAISO does not maintain an active list of those resources that have the ability to follow a five-minute dispatch instruction and those that do not have such ability. Under this proposal, the CAISO would have to notify the scheduling coordinator for the resource to follow their five-minute dispatch and then the scheduling coordinator would have to notify the plant - which may or may not be able to manually adjust its output to the desired level, and certainly could not adjust it every five minutes. According to this proposal, the plant would not only be subject to economic consequences, but it would be in violation of CAISO rules.¹

The Draft Tariff Does Not Consider the Technical Capability of Wind and Solar Facilities to Linearly Ramp between Dispatch Operating Targets

¹ Upon receiving such an Operating Instruction, an Eligible Intermittent Resource must return to its Dispatch Operating Target and not generate in excess of its Dispatch Operating Target until the Operating Instruction expires. (Draft Tariff Language section 34.13.1)

The draft tariff takes the additional step to further require that when such Operating Instructions are in place that an EIR must follow a linear ramp between Dispatch Operating Targets.² The requirement to follow a linear ramp is again outside the capability of many wind and solar resources. NextEra notes that this is likely also outside the capability of many other resource types and unfairly requires a higher standard for EIRs compared to other resources.

The Draft Tariff Will Unjustly Impose a Potential Code of Conduct Violation in the Event an EIR Cannot Follow the Operating Instructions

Proposed CAISO Tariff Section 37.2.1.1 states,

Market Participants must comply with ~~operating order~~Operating Instructions issued by the CAISO as authorized under the CAISO Tariff. ~~For purposes of enforcement under this Section 37.2, an operating order shall be an order(s) from the CAISO directing a Market Participant to undertake, a single, clearly specified action (e.g., the operation of a specific device, or change in status of a particular Generating Unit) that is intended by the ISO to resolve a specific operating condition.~~ Deviation from an ADS Dispatch Instruction shall not constitute a violation of this Section 37.2.1.1|

The new tariff language imposes additional Operating Instruction obligations only on EIR resources to follow their ADS Dispatch Instruction (i.e. meeting their DOT). The proposed Operating Instruction for EIRs to follow their ADS Dispatch is only applicable to EIRs and therefore only EIRs risk being in violation of the Code of Conduct under these circumstances. Other resources that deviate from their DOT will only face economic penalties in the form of uninstructed deviation settlements or uninstructed deviation penalties. EIRs under the new tariff provision will uniquely be at risk for a Code of Conduct violation if they deviate from their ADS Dispatch or are unable to perfectly follow a linear ramp between DOTs. NextEra believes this to be unjust and unreasonable.

Sincerely,

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² When such an Operating Instruction is in effect, Eligible Intermittent Resources must follow a linear ramp between Dispatch Operating Targets. (Draft Tariff Language section 34.13.1)