



EFC Ratings Clarification Comments

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Olivine has the following comments regarding EFC for PDR resources:

Olivine has no problem with a random test during Flex RA Assessment hours to *verify* EFC. However, we do have concern if testing is used to *establish* the EFC. DR resources are often part of seasonal, not annual obligations. For example, summer contracts may be only from June through September. If the resource is only active from June-September, it would not be feasible to do an EFC test in March before the June supply plan deadline. CAISO should use testing as an ex-post verification of Flexible RA, not to establish initial EFC of an inactive resource. Otherwise, resources would not be eligible for an EFC until 2-3 months into the contract, severely limiting the ability for seasonal DR resources to provide Flexible RA even if physically capable.

Another useful clarification would be whether re-testing is permitted if the desired EFC is not achieved in performance calculation. Given that DR performance is based on imprecise baselines, there can be some random variation in calculated performance. We suggest that at least one re-test be allowed to account for this possibility.

Finally, we would like to confirm that testing will be done in a manner that does not violate DR operational constraints. If there is already a day-ahead award for the day CAISO intends to do an EFC test, CAISO should either cancel the test or at minimum ensure that the test event is contiguous with the day-ahead award and that the total energy for testing and market dispatch does not violate resource constraints. For example, if there is an award from 8-9 PM, it would not be appropriate to do an EFC test from 3 PM-6 PM and thus force a real-time buyback of the original market award or require a DR resource to respond in non-contiguous hours. However, it may still be reasonable for a four-hour resource to complete an EFC test from 5-8 PM.