

Comments of Pacific Gas & Electric Company

Commitment Cost Enhancements – Phase 3

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator’s (CAISO) Commitment Cost Enhancements – Phase 3.

PG&E appreciates the CAISO for accepting many of the recommended changes offered by PG&E in the previous round of comments submitted on November 2, 2018. However, the most recent changes the CAISO has proposed to the Tariff and BPM for Reliability Requirements have not been properly vetted and are beyond the scope of CCE3 implementation. In addition, these changes are unclear and have not been systematically explained. The CAISO should not make these changes until they are properly explained with adequate opportunity for discussion.

PG&E’s comments can be summarized as follows:

1. Draft Tariff Language
 - a. 40.6.1 (1) Day-Ahead Availability
 - b. 40.6.1.1 (d) Use-Limited Resources
 - c. 40.6.2 (b) Short Start Units or Medium Start Units
 - d. 4.6.2 (h) Use-Limited Resources
 - e. 40.6.4.1 Must-Offer Obligation in DAM and RTM
 - f. 40.6.4.1 Must-Offer Obligation in DAM and RTM
 - g. 40.6.8 (e) Use of Generated Bids Exemptions
 - h. 40.9.3.4 (d) Exclusions from RAAIM for certain Outage types
 - i. Appendix A
2. BPM for Reliability Requirements
 - a. 7.1.1 Summary of Bidding Requirements for Resources Providing RA Capacity
 - b. 7.1.2 Day-Ahead Market
 - c. 7.1.3 Real-Time Market
3. BPM for Market Instruments
 - a. Attachment D
 - b. Section 8.2.1.3 – SIBR-Generated Bid for CCE3
 - i. Start-Up Bid Component
 - ii. Minimum Load Cost Component

1. Draft Tariff Language

a. 40.6.1 (1) Day-Ahead Availability

PG&E is concerned with the implications of the language change from “physically capable of operating” to “not on Outage.” There are certain classes of resources, for example legacy QFs, that do not need to have bids or self-schedules for their full RA capacity. Not all RA resources are subject to bid insertion or obligated to submit bids.

b. 40.6.1.1 (d) Use-Limited Resources

This language makes no reference to exemptions allowed for Use-Limit Reached OMS cards or other OMS cards. CAISO should include these exemptions or reference section 40.9.3.4 (d).

c. 40.6.2 (b) Short Start Units or Medium Start Units

The CAISO states that there is a procedure to waive availability obligations for resources based on a procedure to be published on the CAISO website. PG&E requests that the CAISO provide more clarification on this procedure document.

d. 4.6.2 (h) Use-Limited Resources

This language makes no reference to exemptions allowed for Use-Limit Reached OMS cards or other OMS cards. CAISO should include these exemptions or reference section 40.9.3.4 (d).

e. 40.6.4.1 Must-Offer Obligation in DAM and RTM

The language changes in this section are unclear and beyond the scope of CCE3. It appears that the CAISO is trying to change the definition of a VER. This will have broad implications. There are classes of resources that have no obligation to provide self-schedules or bids up to the RA quantity. A legacy hydro QF is one example of such a resource. Furthermore, this language does not consider lack of physical availability of these resources. The CAISO also appears to be changing the RAIM calculation. This language should be removed from CCE3.

f. 40.6.4.1 Must-Offer Obligation in DAM and RTM

PG&E is unclear as to the intent of the proposed language: “If the only reason a given RA Resource is not required by this Tariff to submit a Bid to either the DAM or RTM is this Section 40.6.4.1, then, notwithstanding any RAIM exemptions provided in Section 40.9.2, the RA Resource has not met the requirements of Section 40.6 for the purposes of the RAIM calculations in Section 40.9.” PG&E recommends that it be removed.

g. 40.6.8 (e) Use of Generated Bids Exemptions

The proposed changes to this section are confusing and difficult to read. PG&E is also unclear as to why certain types of resources are being called out when “generally applicable bidding rules call for bid insertion.”

h. 40.9.3.4 (d) Exclusions from RAAIM for certain Outage types

For clarity, CAISO should expand the term “short-term use limitation” to include the various categories (i.e. Annual, Monthly, Other) found in Section 2.4 of the BPM for Outage Management.

i. Appendix A

CAISO should clarify the intent of the new definition for “Conditionally-Available Resource.”

2. BPM for Reliability Requirements

a. 7.1.1 Summary of Bidding Requirements for Resources Providing RA Capacity

Please refer to PG&E’s comments on the Draft Tariff Language Section 40.6.1 (1).

b. 7.1.2 Day-Ahead Market

Please refer to PG&E’s comments on the Draft Tariff Language Section 40.6.1 (1).

c. 7.1.3 Real-Time Market

Adding Medium Start resources to Real-Time Market obligations is not in scope for the CCE3 initiative.

3. BPM for Market Instruments

a. Attachment D

PG&E is unclear on the reason for CAISO’s proposed language in Section D.4 which prevents a resource with an LMP-Based DEB from having its most recently Negotiated Rate option as a second choice for the calculation of its Default Energy Bid or as a fall back option in case the resource fails the Feasibility Test. PG&E requests CAISO to explain why this option is excluded.

b. Section 8.2.1.3 - SIBR-Generated Bid for CCE3

i. Start-Up Bid Component

CAISO removed the Relative Proxy Start-Up Cost Ceiling (125%). This multiplier is retained in Attachment G of the Market Instruments BPM, therefore should be retained in Section 8.2.1.3.

ii. Minimum Load Cost Component

CAISO removed the Relative Proxy Minimum Load Cost Ceiling (125%). This multiplier is retained in Attachment G of the Market Instruments BPM, therefore should be retained in Section 8.2.1.3.