



## Stakeholder Comments Template

### RA Enhancements

This template has been created for submission of stakeholder comments on the RA Enhancements Issue Paper that was published on October 22, 2018. The Issue Paper, Stakeholder Meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com).

Submitted by	Organization	Date Submitted
Laura Trolese (360) 513-6465	Public Generating Pool	November 14, 2018

Public Generating Pool (PGP) appreciates the opportunity to comment on the California ISO's Resource Adequacy Enhancements Issue Paper dated October 22, 2018. PGP represents ten consumer-owned utilities in Oregon and Washington that own almost 6,000 MW of generation, 4,500 MW of which is hydro and 95% of which is carbon-free.

### Scoping Items

The ISO has identified the following items for the initial scope of this stakeholder process. Please provide comments on each of the scoping items.

#### 1. RA Counting and Eligibility Rules

##### a. System RA

The ISO proposes to review the RA counting and eligibility provisions related to RA resource NQC adjustments in this initiative, including a review of the application of Effective Forced Outage Rate (EFOR) performance criteria and accompanying NQC reductions and a review and clarification of RA counting rules for RA resources. Please provide comments on this scope.

##### **Comments:**

No comments.

##### b. Flexible RA

The ISO proposes to continue exploring enhanced flexible RA counting rules started in the FRACMOO2 stakeholder process. More specifically, the ISO will continue assessing the operational capabilities required from the fleet to align with both the Day-Ahead Market Enhancements (DAME) and the Extended Day Ahead Market (EDAM) and what flexible RA counting rule changes may be needed. Please provide comments on this scope.

**Comments:**

PGP is encouraged to see inclusion of flexible RA requirements within the scope of the RA Enhancements initiative. The initial straw proposal for Phase 2 of the FRACMOO initiative was posted on December 11, 2015. On December 6, 2016, CAISO posted its Supplemental Issue Paper identifying critical gaps between its RA program and operation of the grid. For various reasons, there has been no resolution to date. PGP hopes to see momentous progress on the proposals outlined in CAISO's Second Revised Flexible Capacity Framework dated April 27, 2018 in CAISO's RA Enhancements initiative.

**2. Review of Resource Adequacy Import Capability Provisions**

The ISO proposes to conduct a comprehensive review of the ISO's Import Capability provisions, including; calculation methodologies, allocation process, and reassignment/trading provisions. The ISO believes that it may also be necessary to consider multi-year assessments and allocations. Please provide comments on this scope.

**Comments:**

PGP strongly supports comprehensive review of CAISO's Import Capability provisions, including calculation methodologies, allocation process and reassignment/trading provisions. The current RA Import Capability provisions pose challenges for participation of external resources in CAISO's RA program. The current MIC allocation process hinders the efficient and least-cost procurement of RA capacity and artificially limits participation of external resources when the amount allocated to an LSE goes unused. PGP reiterates its recommendation from previous comments that CAISO consider a solution that does not pre-allocate MIC or allocates MIC only when it is within a certain percentage of the total MIC for a given path. PGP looks forward to more discussion on potential solutions to CAISO's Import Capability provisions that allows for greater external resource participation in CAISO's RA program.

**3. Rules for RA imports**

The ISO proposes to include a review of RA import rules and provisions in the scope of this initiative, including a reassessment of the requirements and rules for the sources behind RA imports. Please provide comments on this scope.

**Comments:**

PGP supports review of RA import rules and provisions to eliminate speculative supply to count for RA and ensure that RA imports are available and add value during critical system and market conditions.

#### **4. Must Offer Obligations, Substitution Rules, and RAAIM**

The ISO proposes to include a review of the following set of issues as a part of this stakeholder initiative; need for substitution rules and RAAIM, developing an emergency or event based RAAIM trigger, and must offer obligations for RA imports. Please provide comments on this scope.

**Comments:**

No comments.

#### **5. System and Flexible Capacity Assessments and Adequacy Tests**

As part of this stakeholder initiative, the ISO is considering a new tool to assess the adequacy of the system and flexible RA fleet. Please provide comments on this scope.

**Comments:**

PGP supports development of a tool to assess all RA showings to ensure they provide adequate system and flexible RA capacity. CAISO has experienced significant RA shortfalls in June and September of 2017 and continues to experience tight system conditions, as seen in the 3<sup>rd</sup> quarter of 2018. Having a robust RA program is critical for reliable operation of the grid.

CAISO states that to ensure CAISO is better able to meet both EIM and EDAM sufficiency tests, this test will look to ensure the RA program ensures that the CAISO BAA has sufficient generation capacity and flexibility to meet its operational needs, including ramps, on its own, independent of other entities. One of the fundamental cornerstones of the EIM and application of the resource sufficiency test is that each BAA is able to independently meet its own needs as to not lean on the EIM for energy and capacity. This bedrock principle becomes even more important as CAISO considers extending the Day-Ahead Market to EIM Entities. CAISO's ability to independently meet its operational needs has been brought into question in numerous forums over the past year. PGP commends CAISO for including development of such a tool within the scope of the RA Enhancements initiative and looks forward to more specifics as the initiative progresses.

#### **6. Meeting Local RA Needs**

##### **a. Local capacity assessments with availability limited resources**

As part of this stakeholder initiative the ISO proposes to enhance the ISO's local capacity technical analysis to assess the impact of availability limited resources on local capacity needs. Please provide comments on this proposed scope.

**Comments:**

No comments.

##### **b. Meeting local capacity needs with slow demand response**

Through this initiative, the ISO proposes to explore how to best operationalize slow DR through pre-contingency dispatch so these resources can mitigate local reliability concerns and qualify for local RA. Please provide comments on this scope.

**Comments:**

No comments.

**7. CPM/RMR Review**

Through this initiative, the ISO is planning to identify any needed changes to the capacity procurement mechanism (CPM) or reliability must run (RMR) mechanisms, particularly focusing on the existing cost allocation tools. Additionally, the ISO will specify the process for backstop procurement of essential reliability resources (ERRs) if they are not procured through the RA process. Please provide comments on this scope.

**Comments:**

No comments.

**Scope of Policy Examination**

The ISO's has identified the initial scope for this stakeholder process as the items listed above. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

**Comments:**

No comment.

**Other**

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

**Comments:**

PGP appreciates the comprehensive scope of this initiative. PGP finds it unclear which issues can be resolved within the decision making authority of the CAISO on its own versus which issues require approval by the California Public Utilities Commission. PGP requests CAISO provide a matrix that includes the issue to be addressed, the timing in which it will be addressed and the decision making authorities responsible for approving the solutions proposed.

CAISO has identified significant gaps in its current RA program that will only increase in severity as more variable energy resources are added to California's resource portfolio. PGP commends CAISO for launching this initiative and hopes to see some of the changes being contemplated as part of this initiative come to fruition in an expeditious manner.