

## Draft 2017 Stakeholder Initiatives Catalog

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (“PG&E”) appreciates the opportunity to submit questions related to the initiatives listed in the catalog, and proposed additions, deletions, and retentions of proposed deletions of initiatives as a part of this year’s CAISO’s 2017 Stakeholder Initiatives Catalog (“Catalog”).

### Proposed Additions to the Catalog

#### Intraday Utilization of NGR

PG&E proposes the CAISO add a new initiative regarding CAISO’s utilization of Non-Generator Resources (“NGR”) across a daily period. The CAISO, through a new daily NGR capacity bid, could select some NGR resources for REM-like optimization. However, the CAISO’s utilization would not be limited to regulation. The utilization would include CAISO’s selection (optimization) of charging energy, discharging energy, ancillary services and flex ramping needs across all markets and dispatch cycles. The NGR capacity would effectively be turned over to the CAISO for the operating day (based on a single, daily capacity bid) to increase overall market and system efficiency, with the expectation that the use of the NGR would respect the Master File limits and subject to returning the NGR at the end of the day to the same beginning of the day state of charge.

#### FERC Technical Conference Competitive Transmission Compliance

PG&E requests that the CAISO add an initiative in anticipation of FERC Competitive Transmission Technical Conference compliance activity. This initiative would be a response to any actions that FERC may require the CAISO to take to address issues raised in FERC docket AD16-18-000. This initiative would explore developing specific tariff improvements related to the competitive solicitation processes at the CAISO.

#### RDRR Market Modelling Enhancements

PG&E suggests an initiative focused on an enhancement of Reliability Demand Response Resources (“RDRR”) market modeling through block scheduling in the Fifteen Minute Market (“FMM”). This initiative would address deficiencies in the dispatch of RDRR in the CAISO real-time markets. Demand Response (“DR”) programs used to address CAISO system emergencies are required to be bid into the CAISO real-time markets beginning on May 1, 2017. These programs have salient characteristics that cannot be captured in the five-minute dispatch process, where they are currently expected to be dispatched to curtail load. These include the following:

1. RDRR programs have a significant notification requirement. Instructions received in the five-minute dispatch process cannot be responded to until the notification process has completed. This period is equivalent to a startup notification period for a resource with startup constraints.

2. RDRR programs have both a minimum and maximum duration for which the program can be called. These durations are equivalent to minimum and maximum up times for resources with commitment constraints.
3. For any given hour, RDRR programs are called at a constant level. The programs cannot respond to varying five-minute instructions.

The RDRR Market Modelling Enhancements initiative would propose to address RDRR model deficiencies with the following:

1. Use of a master file defined startup notification time and startup time, as well as minimum and maximum commitment durations; and
2. Dispatch of RDRR resources at block levels in the FMM processes, with no re-dispatch in the five-minute market processes.

When the CAISO considers this initiative, it should consider that startup and commitment constraints cannot currently be defined or properly enforced for resources with a pmin that is equal to zero. If the resource model cannot be modified to recognize a commitment with a pmin equal to zero, a non-zero pmin will have to be defined for RDRR resources to enable the first proposed enhancement. In this case, the minimum load cost would need to default to a value consistent with the energy bid requirements imposed on RDRRs. These requirements enforce energy bidding between \$950/MWh and \$1,000/MWh. The minimum load cost will need to default to a value greater than or equal to \$950 multiplied by the pmin.

## **Proposed Retentions in the Catalog**

### **Simplified Reporting of Forced Outages (16.1)**

Regarding CAISO's proposed deletion of some initiatives currently in the catalog, PG&E would appreciate clarification about the proposed removal of the Simplified Reporting of Forced Outages initiative (16.1). In the Catalog, CAISO notes that this topic has been subsumed in the Reliability Services Phase 1 (RSI Phase 1) initiative. However, we cannot identify where that topic has been addressed in RSI Phase 1.

## **Additional Comments**

PG&E would appreciate the CAISO reviewing the various *initiative categorizations* in the Catalog.

### **Choice of Categorizations**

PG&E notes that some initiatives that are currently underway do not appear to be categorized as such in this draft of the Catalog. For example, the Regional Resource Adequacy ("RA") initiative (5.7) is categorized "D" although it is placed in the section of initiatives (5) that are currently underway. PG&E believes the Regional RA initiative should also be categorized "I," similar to the Transmission Access Charge Options initiative which is categorized "I" and "D." The Bid Cost Recovery Enhancements initiative (5.3), the Frequency Response Phase 2 initiative (5.14), the Full Network Model Enhancements Phase 2 initiative (5.15), the Regional Transitional Implementation Items initiative (5.16), the Economic and Maintenance Outages initiative (5.17), and Review Grid Management Charge Billing Determinant initiative (5.18), similarly, do not have an "I" categorization. It is unclear whether the Catalog recognizes that an initiative is in progress or underway by virtue of being in section 5 or based purely on its categorization.

The Metering Rules Enhancements initiative (5.9) has an EIM categorization of "E2," though it is not wholly clear what involvement the EIM Governing Body may have with this initiative which is now approaching conclusion and CAISO Board disposition.

The Exceptional Dispatch Mitigation initiative (9.5) has no categorization.

FERC-Mandated Initiatives

For those initiatives that CAISO has identified as FERC-mandated, it would be helpful if the Catalog were updated with citations or other references to the relevant FERC authority underlying the mandates.

EIM Categorizations

As this is the first iteration of the Catalog with the EIM Governing Body in place, it would be helpful to better understand initiative classifications regarding the EIM Governing Body's primary versus advisory authority. For the initiatives with one of the EIM Governing Body authority classifications, how does the CAISO determine the level of authority or overlap between CAISO's Board of Governors and the EIM Governing Body?