

## Comments on Flexible Ramping Products and Cost Allocation Third Revised Straw Proposal

Submitted By	Company or Entity	Date Submitted
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Powerex appreciates the opportunity to provide these general comments on the Flexible Ramping Products and Cost Allocation Third Revised Straw Proposal (“Straw Proposal”) posted on March 6, 2012. As previously stated, Powerex supports the CAISO’s efforts in developing the Flexible Ramping Products (“FRP”) which will enable the CAISO to efficiently commit sufficient fast-ramping dispatchable generation capacity to maintain grid reliability.

Based on the Straw Proposal, Powerex agrees with the characterization of FRP as a 5-minute fast ramping product that preserves flexible capacity to be used in the current or future RTD interval and which is co-optimized with energy and other ancillary services in both IFM and RTPD. Further, Powerex agrees that all flexible resources, including dynamic system resources, can be dispatched for FRP.

While Powerex has no significant concerns about whether or not a resource needs to be certified to provide FRP, the CAISO’s proposal to allow conversion of DA FRP awards to AS would be simpler to implement if all flexible resources were certified to allow for this conversion to be seamless. Additionally, certification testing would ensure all resources dispatched for FRP can respond at the expected ramp rate.

In general, Powerex has no major concerns about the proposed bidding rules. However, Powerex suggests that where an FRP bid has not been submitted but a spinning reserve bid has, the CAISO should insert the spinning reserve bid for the FRP bid and not a \$0 bid.

Furthermore, Powerex agrees with other stakeholders that DA energy bids associated with FRP awards should be allowed to change in RT. Powerex believes the CAISO proposal to allow for an SC specified RT energy bid range is reasonable. However, where an FRP bid has not been submitted and the CAISO software will be submitting a bid on the SC’s behalf, what energy bid range will be used/submitted by the CAISO on the resource’s behalf?

At this time, Powerex has no comments on the FRP relaxation penalties and no-pay rules.

Finally, Powerex encourages the CAISO to endeavor to be transparent in their FRP procurement and post all relevant information on OASIS in a clear and concise manner.