

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the presentation and discussion from the stakeholder web conference held on October 19, 2015.

Submit comments to InitiativeComments@caiso.com

[Comments are due November 2, 2015 by 5:00pm](#)

The presentation discussed during the October 19, 2015 stakeholder web conference may be found on the [Frequency Response Initiative](#) webpage.

Please provide your comments on the ISO's straw proposal for each of the eight issues listed below along with the ISO's straw proposal. The ISO welcomes comments in addition to these issues as well.

[Frequency Response Standard](#)

The ISO believes the straw proposal and its accompanying technical appendix covers the standard's requirements for compliance purposes. The ISO is endeavoring to provide sufficient information to stakeholders for effective evaluation of the ISO's proposal. The ISO seeks comments on whether any unresolved questions on the standard and the ISO's obligation still exist.

Comments:

The ISO's straw proposal and the accompanying technical appendix addressed the issues raised in the Six Cities' August 27, 2015 comments submitted in response to the Frequency Response Issue Paper regarding how compliance with BAL-003-1 will be measured.

Frequency Response Drivers

Several factors contribute to the primary frequency response performance of participating generators having governors. The ISO discusses some of the main drivers of PFR performance in Section 4.2 of its straw proposal. These factors include (1) magnitude of frequency deviation, (2) amount of synchronous on-line capacity providing sustained PFR, and (3) headroom available from that connected on-line capacity.

The ISO is evaluating what additional data points would need to be included in its Masterfile or through other mechanisms to facilitate a market tool or product to be designed. The ISO seeks comments on what factors influence a generator's ability to provide PFR in the event of a frequency disturbance and the pieces of information necessary to estimate expected PFR.

Comments:

At this time, the Six Cities do not take a position on what other factors influence a generator's ability to provide PFR in the event of a frequency disturbance or what information is necessary to estimate expected PFR.

Phase 1, addressing real-time deficiencies

Section 6.2 of the straw proposal discusses Phase 1 of the initiative which will enact the five steps to ensure it is capable of meeting the requirement at that time. The first step discussed in section 6.2.1 is to develop "look-ahead" tools to assess the PFR capability of the system at various time horizons in the future based on current system conditions. If the look ahead indicates an anticipated deficiency of PFR the ISO can take actions to address the deficiency.

The ISO seeks comments on its proposal for addressing real-time PFR deficiencies for 2017 compliance period.

Comments:

The Six Cities support the ISO's proposal for addressing real-time PFR deficiencies for the 2017 compliance period. The Six Cities believe the use of a look-ahead tool is an appropriate way to identify PFR deficiencies. The Six Cities also support the use of spinning reserves to meet the frequency response requirements of BAL-003-1. The Six

Cities do not, however, support a blanket increase in the level of spinning reserves. The use of the look-ahead tool should avoid the need for such an increase. If the look-ahead tool indicates the risk of a deficiency, then the ISO can procure additional spinning reserves on an as-needed basis.

In the Straw Proposal, the ISO proposes to primarily rely on spinning reserves to ensure sufficient frequency response. It explains that it could either (a) “change the percentage allocation of spin versus non-spin capacity while procuring overall all reserves equal to the contingency reserve requirement; or (b) “procure excess reserves as spinning reserves.” With regard to these two options, the Six Cities prefer to modify the percentage of spinning reserves versus non-spinning reserve within the overall operating reserve. Until there is a demonstration that there is an incremental need for additional spinning reserves, the Six Cities believe that the existing level of operating reserves should be relied on to provide frequency response. If, after exhausting available operating reserves, the ISO finds that additional spinning reserves are needed for frequency response, then at that time the ISO could consider procuring additional reserves as spinning reserves.

Phase 1, tariff and interconnection revisions

Section 6.2 of the straw proposal discusses Phase 1 of the initiative which will enact five steps to ensure it is capable of meeting the requirement at that time. The first step discussed in section 6.2.2 is to revise the tariff to include requirements for all participating synchronous generators with governors, not just those providing spinning reserves, to set governors to specified droop settings and deadbands, and to not override governor response through outer-loop controls or other mechanisms.

The ISO seeks comments on the tariff revisions it is proposing to help the ISO ensure sufficient frequency responsive headroom and whether other revisions should be considered.

Comments:

The Six Cities do not take a position at this time on the ISO’s proposal to revise the tariff to include requirements for all participating synchronous generators with governors, not just those providing spinning reserves, to set governors to specified droop settings and deadbands, and to not override governor response through outer-loop controls or other mechanisms.

Phase 1, ISO's practice of preserving operating reserve headroom

Section 6.2 of the straw proposal discusses Phase 1 of the initiative which will enact five steps to ensure it is capable of meeting the requirement at that time. The first step discussed in section 6.2.3 is to revise the tariff to clarify the authority of the ISO to designate any reserve not previously identified as Contingency Only by a Scheduling Coordinator (SC) as Contingency Only reserves.

Comments:

The Six Cities support this aspect of the ISO's proposal because the ability to designate any reserve not previously identified as Contingency Only by a Scheduling Coordinator as Contingency Only reserves is necessary to support the use of spinning reserves for frequency response.

Phase 1, performance requirements

Section 6.2 of the straw proposal discusses Phase 1 of the initiative which will enact five steps to ensure it is capable of meeting the requirement at that time. The first step discussed in section 6.2.4 is to include frequency response performance requirements for resources with governor control and frequency responsive capacity available.

The ISO will continue to develop the details of a proposed performance requirement and seeks comments from stakeholders on an appropriate performance requirement.

Comments:

The Six Cities do not take a position at this time on an appropriate performance requirement.

Phase 1, allocation of BAL-003-1 non-compliance penalties

Section 6.2 of the straw proposal discusses Phase 1 of the initiative which will enact five steps to ensure it is capable of meeting the requirement at that time. The first step discussed in section 6.2.5 is considering provisions for allocating any non-compliance penalties associated with BAL-003-1, should they be imposed on the ISO, to resources that should have provided more PFR than they actually delivered during frequency events.

The process discussed in ISO tariff section 14.7 applies to an allocation of any reliability-based penalty. The ISO seeks comment on how it could apply these tariff provisions to BAL-003-1 compliance and whether it should explore additional tariff provisions beyond those set forth in section 14.7 to impose responsibility for penalties on any resource that fails to provide primary frequency response for which it has an obligation to provide.

Comments:

The Six Cities support the ISO's proposal to allocate non-compliance penalties associated with BAL-003-1 to resources that should have provided more PFR than they actually delivered during frequency events. However, the Six Cities do not support additional tariff provisions beyond those set forth in section 14.7. The process set forth in the ISO Tariff, Section 14.7, is sufficient to impose responsibility for penalties on any resource that fails to provide primary frequency response that it has an obligation to provide. Under Section 14.7, the ISO already has the ability to directly assign penalties, which is what it would seek to achieve through any new tariff provision. There is no need for additional tariff provisions to address penalties related to non-compliance with BAL-003-1.

Phase 2, long-term approaches

Phase 2 of the initiative will evaluate if a market constraint or product is better suited to competition for frequency response capability (Section 6.3 of straw proposal). Such market-based mechanisms could not be designed, approved and implemented by December 1, 2016, and therefore the ISO will need to consider them in a second phase of this initiative.

Comments:

As described in the Six Cities' comments on the ISO's Frequency Response Issue Paper, the Six Cities do not believe that developing a product to procure frequency response is the best path to achieving frequency response levels that comply with BAL-003-1. Developing a new product introduces an additional level of complexity that may be unnecessary if sufficient frequency response capability can be achieved through other solutions.

Further, there is no need to carve out frequency response from other operating contingencies that spinning reserves are intended to address. Disturbances resulting in a decline in system frequency are among the types of contingencies that spinning reserves are intended to deal with, not an entirely independent system requirement. There is a natural overlap between the kinds of conditions that give rise to the need for frequency response and the kinds of contingencies spinning reserves are intended to address. It is unnecessary to create a separate product when an existing product is available to meet the need, particularly when the existing product already is *intended* to meet this type of need.