

## Subject: Regional Resource Adequacy Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Third Revised Straw Proposal for the Regional Resource Adequacy initiative that was posted on September 29, 2016. Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **October 27, 2016**.

**WPTF does not support the proposal as written related the use of Pmax as an input into determining a resource’s RA capacity value.** As written and described during the meeting it sounds like the CAISO is changing the Pmax test in order to use Pmax as an input into creating an RA capacity value. Pmax testing already has established procedures and processes in the CAISO tariff and should not be changed to determine RA value. It is our understanding that the intent of the proposal is to use something similar to Pmax testing to determine nuclear, natural gas, oil, coal, geothermal, biomass, and biogas resources base capacity value for use in the NQC test and not actually change the current Pmax test. If this assumption is correct, WPTF requests clarification in the next draft of the paper and presentation.

In general, WPTF supports either of the following options, but prefers option 1:

- Option 1: use a resource’s Pmax under current Pmax testing procedures as an input to determine a resource’s maximum allowed RA value.
- Option 2: create a new test, an “RA base capacity test” of some sort, to use as an input to determine a resource’s maximum allowed RA value.

**WPTF requests additional details on the CAISO proposal to clarify RA import requirements and requests that the ISO state its position on the relative reliability of imports compared to internal or dynamic resources.** WPTF does not object to the premise of the proposed clarifications to clearly state that all import resources on RA showings must be secured at the time of showing. However, any additional tariff or BPM language should be weighed against the risk of preventing legitimate contracting.

Additionally, WPTF requests the CAISO clarify its position on the relative reliability provided by imports compared to internal or dynamic resources. For example, imports aren’t required to

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bid in all hours and may be cut if the balancing area is in system emergency conditions. Below is the language allowing interruption in service under the common WSPP agreement, with the relevant section in bold.

*C-3.7 Firm Capacity/Energy Sale or Exchange Service shall be interruptible only if the interruption is: (a) within any recall time or allowed by other applicable provisions governing interruptions of service under this Service Schedule, as may be mutually agreed to by the Seller and the Purchaser, (b) due to an Uncontrollable Force as provided in Section 10 of this Agreement; or (c) where applicable, to meet Seller's public utility or statutory obligations to its customers; provided, however, this paragraph (c) **shall not be used to allow interruptions for reasons other than reliability of service to native load.** If service under this Service Schedule is interrupted under Section C-3.7(a) or (b), neither Seller nor Purchaser shall be obligated to pay any damages under this Agreement or Confirmation. If service under this Service Schedule is interrupted for any reason other than pursuant to Section C-3.7(a) or (b), the Non-Performing Party shall be responsible for payment of damages as provided in Section 21.3 of this Agreement or in any Confirmation.*

**The ISO should review the local backstop tariff sections, 43a.2.1.2 and 43a.2.2, in order to clarify the process in a regional context and take the opportunity to clarify and strongly affirm the backstop rules.**

WPTF asks the CAISO again to look into this topic within this initiative. Transparency and clarity are vital to maintain competitiveness in the bilateral RA market. The threat of backstop puts pressure on both LRAs and LSEs to fully procure up to the CAISO-determined requirement. WPTF specifically asks that the ISO:

- Clarify the current rules under tariff sections 43a.2.1 and 43a.2.2 and describe the policy intent for how the process works today. For example:
  - Is it feasible for the ISO to study the effectiveness of all RA resources on a deficient local area each month given the larger footprint?
  - Is it feasible to allow each LRA to provide supplemental capacity when the ISO's relationship is with the LSE?
- Evaluate whether there is an opportunity to revise these rules given current reliability needs.
  - Is it reasonable to count RA resources outside the local area toward an LSE's requirement or is there a potential for this to degrade reliability?

**WPTF supports the CAISO being more specific as to what aspects of Resource Adequacy the Western States Committee has authority over.**

WPTF does not believe the Western States committee (WSC) should have primary authority over tariff provisions affecting reliability. Setting the PRM level ultimately affects reliable operations of the grid. WPTF does not support the WSC having authority over setting the PRM level or backstop provisions.

**WPTF supports SDG&E's proposal to Monitor Locational RA Needs and Procurement**

SDG&E proposes that the ISO should make zonal procurement data publically available for all market participants to review. WPTF agrees and supports increasing transparency of procurement.