

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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About Western Power Trading Forum

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports uniform rules and transparency to facilitate transactions among market participants. The membership of WPTF and the WPTF CAISO Committee responsible for providing these comments include CAISO and EIM entities, load serving entities, energy service providers, scheduling coordinators, generators, power marketers, financial institutions, and public utilities that are active participants in the California market, other regions in the West, and across the country.

Identification of ramping and uncertainty needs

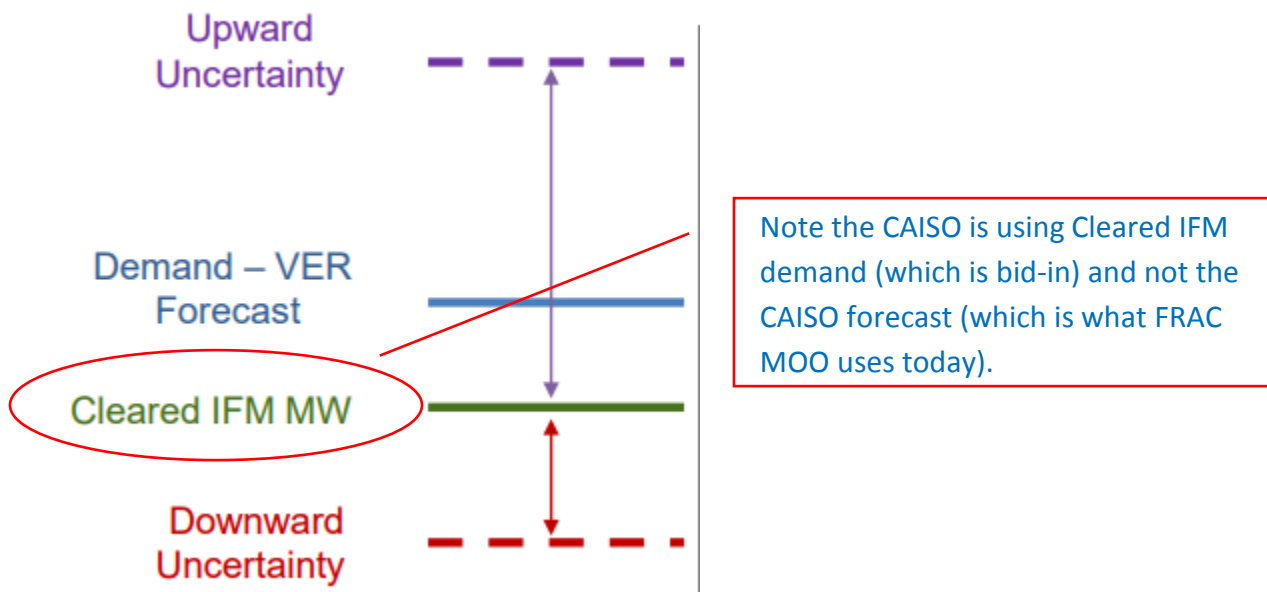
The ISO has identified two drivers of flexible capacity needs: General ramping needs and uncertainty. The ISO also demonstrated how these drivers were related to operational needs.

Comments:

WPTF continues to support the use of these drivers. For WPTF to support the draft final proposal, planned to be posted and submitted to the CPUC on July 10, we ask that the following explanation and clarifications be made in the final draft.

1. Confirmation of whether operator load bias is being included in requirement construction and in the data analysis. One the biggest potential influences of the load bias is on the upward and downward requirement from one interval to the next. If the load bias is not included in the current CAISO analysis this could be masking large swings in ramping needs. Ultimately this will impact whether the absolute value of the upward and downward maximum requirement is adequate to meet operational ramping needs.
2. Within the day-ahead requirement, confirmation of how the CAISO is reconstituting the renewable curtailments. WPTF supports the CAISO simply using the renewable forecast itself.

3. Additional explanation of distribution of the overall imbalances provided on slide 16. It appears that the average is significantly different than 0 and that the average maximum absolute may not be reflective of the actual maximum within each month. WPTF would appreciate additional explanation surrounding the requirement construction and whether ultimately the requirement will be developed using 15-minute load forecasts or whether the CAISO is going to use the hourly translation into 15-minutes to construct the first requirement for RA year 2020.
4. Cohesive explanation of whether uncertainty is distributed across 24 hours or occurs most often during daylight hours. Slide 18 and the discussion surrounding solar flexible EFCs seems to suggest that the daylight hours are most important, whereas the RAAIM obligation suggests that all 24 hours are equally important. It seems inconsistent to only assess solar during daylight hours, but then require all resources to offer in 24 hours every day or get penalized.
5. More specific connection between FRAC MOO ramping needs requirement and DA Enhancements requirements. One current gap in the FRAC MOO proposal is the explicit connection between what the DA Enhancement clears in the day-ahead, so should be in the day-ahead RA product and what is being left to the imbalance product, so needs to be in the fifteen-minute product.



Source: <http://www.caiso.com/Documents/AgendaandPresentation-DayAheadMarketEnhancements-April182018.pdf>, slide 8. Red circle and note added.

Definition of products

The ISO has outlined the need for three different flexible RA products: Day-ahead load shaping, a 15-minute product, and a 5-minute product.

WPTF supports a day-ahead and real-time product. For WPTF to support the draft final proposal, planned to be posted June 13, we ask that the following explanation and clarifications be made in the final draft.

Comments:

1. Greater discussion on flexible imports in general. It would be helpful for the CAISO to include an explanation on how the MIC will work for flexible RA imports, including the allocation process and connection to system RA MIC process. WPTF would also like additional explanation on how the CAISO is going to ensure flexible imports will be available to the CAISO market in the day-ahead and real-time. Will the CAISO reserve space on the intertie for economic bids to ensure a different scheduling coordinator doesn't limit/eliminate intertie flexibility by self-scheduling up to the tie limit?
2. Additional clarification and review on "EIM Resource" and "Purely External Resource" rules.
3. Explanation of why the five-minute need maximum capacity is capped at 1,000 MW and -1,000 MW on slide 24. More generally, WPTF supports the removal of the five-minute requirement if it is naturally going to be procured through the fifteen-minute product. Additionally, the DA Enhancements initiative has removed the five-minute product, so if the CAISO does not remove the requirement WPTF would appreciate an explanation on why the five-minute product is still needed within RA space. As noted during the meeting, imports can be limited through the MIC process (if necessary).
4. Provision of the analysis similar to the prior straw proposal which showed the total capability of the CAISO fleet to meet the different products based on each resource's eligibility. This was also asked for by PG&E at the May 3, 2018 meeting.

Quantification of the flexible capacity needs

The ISO has provided data regarding observed levels of imbalances, in addition to previous discussion of net load ramps.

Comments:

WPTF provided comments on this in the first section.

Eligibility criteria, counting rules, and must offer obligations

The ISO has identified a preliminary list of resource characteristics and attributes that could be considered for resource eligibility to provide each product. Additionally, the ISO has proposed new EFC counting rules for VERs and storage resources that are willing to provide flexible RA capacity.

Comments:

WPTF still does not have a clear understanding of how the counting rules and requirements relate to each other. It would be extremely helpful for the CAISO to provide a simple example showing how the requirements nest and how the EFCs of resources count toward these nested needs.

WPTF also supports storage being counted from their (negative) Pmin to Pmax; for their full discharge to charge. The CAISO optimization should be able to position the storage resource (just like it does with conventional resources) to ensure the maximum potential of flexibility is available to the day-ahead and real-time market. WPTF would also like additional detail about the difference in counting rules between the day-ahead and real-time for storage. It is unclear why the CAISO would not allow a 15-minute transition time for real-time like it does for the day-ahead, given the ability of the real-time optimization to account for the transition time. Gas plants and other resource types also have transition times (and forbidden zones) and these characteristics do not seem to prohibit their full counting and participation in the full flexible RA product set.

Equitable allocation of flexible capacity needs

The ISO has proposed a methodology for equitable allocation of flexible capacity requirements. The ISO seeks comments on this proposed methodology as well as any alternative methodologies.

Comments:

WPTF does not have any comments on the allocation at this time.

Next Steps

The ISO is currently planning to issue a draft final framework on June 6, 2018. However, given the schedule change in the CPUC's RA proceeding, the ISO will not release a draft final framework until July 10, 2018. The ISO seeks stakeholder input regarding next steps that should be taken to further enhance the ISO's framework. Options include, but are not limited to, another full iteration or working groups.

Comments:

WPTF supports the CAISO either holding a Working Group that connects the DA Enhancements to the FRAC MOO 2 proposal or spending the additional time to provide additional data and analysis in the Draft Final Framework.

Other

Please provide and comments not addressed above, including any comments on process or scope of the FRACMOO2 initiative, here.

Comments:

WPTF thanks the CAISO for consideration of these comments.