

# Stakeholder Comments Template

## Reactive Power Requirements and Financial Compensation Draft Final Proposal

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the draft final proposal for the Reactive Power Requirements and Financial Compensation initiative that was posted on November 12, 2015. The draft final proposal and other information related to this initiative may be found at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ReactivePowerRequirements-FinancialCompensation.aspx>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **December 3, 2015**.

1. Please indicate whether you support reactive power requirements for all resources.  
WPTF supports reactive power requirements for all resources.
  
2. Please indicate whether you support the proposed technical requirements for asynchronous resources.  
WPTF has no objections to the proposed technical requirements.
  
3. Please indicate whether you support the current provision payments for providing reactive power outside of the standard required range.  
WPTF is supportive of the current tariff provision payments for providing reactive power outside the standard range. WPTF acknowledges that these rules are not adequate for asynchronous generators due to the payments dependence on a default energy bid; however, given the extremely low probability that these resource types will be dispatched outside their range to provide reactive power, delaying a proposal that addresses specific resource types is reasonable.
  
4. Please indicate whether you support the proposal to not provide administrative payments for reactive power capability.

As noted in previous comments,<sup>1</sup> WPTF strongly supports the creation of a reactive power capability payment and believes the ISO's explanation that reactive power payments are included in capacity contracts is insufficient justification for not adding a capability payment. WPTF notes that the lack of a capability payment will be particularly challenging for new renewable resources under energy-only contracts. Energy-only contracts for renewable resources are expected to increase under SB350 and these resources are unlikely to be able to recover the added expense of complying with the new reactive power technical requirements through their contracts.

5. If you have any other comments, please provide them here.

This initiative has brought to light the challenges the ISO has when comparing transmission assets, interconnection requirements, and market solutions. All three can be used to procure needed voltage control, but there is no mechanism or study that looks across all options to arrive at the most efficient solution. In the future the ISO may be faced with the circumstance where in order to meet a voltage standard the ISO for example may procure a synchronous generator as a transmission asset, request additional reactive power capability for existing asynchronous resources, or continually exceptional dispatch a resource to minimum load. WPTF believes that creating a mechanism to price reactive power capability is the first step to being able to compare these options in a robust manner.

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<http://www.caiso.com/Documents/WPTFCommentsReactivePowerRequirementsandFinancialCompensationRevisedStrawProposal.pdf>