



Hybrid Resources

Second Revised Straw

Proposal – Addendum

Eliminating the single scheduling coordinator
requirement for co-located resources

May 13, 2020

Summary

In the second revised straw proposal for the hybrid resources initiative the ISO introduced the rule that all co-located resources would be required to have the same scheduling coordinator. This addendum removes that proposed requirement.

Addendum

On April 29, 2020 the ISO published a second revised straw proposal for the hybrid resources initiative, which included two distinct policy components.¹ The first pertaining to hybrid resources and the second pertaining to co-located resources. This document amends the final policy proposals for the content related to co-located resources, which will be presented for approval at the ISO Board of Governors meeting in July, 2020. The remaining policy elements pertaining to hybrid resources will be developed through on-going straw proposals and stakeholder meetings prior to going to the ISO Board of Governors for approval in November, 2020.

Prior to publication of the second revised straw proposal, which served as the final proposal for the co-located resource elements of the policy, ISO staff noted concerns about the implementation of the proposed co-located resource solution. Staff noted that the limits maintained in the aggregate capability constraint, which would limit aggregate economic dispatch instructions to the point of interconnection capacity for co-located resources, would not appear in ISO controls when performing exceptional dispatch. This could make exceptional dispatch more challenging, and add additional manual steps for operators. To alleviate this concern, the April 29th second revised straw proposal included a requirement that all co-located resources subject to an aggregate capability constraint would be required to have the same scheduling coordinator. With this proposed rule, when an exceptional dispatch is called, the operator would only have to make contact with a single scheduling coordinator, who could then manage the output of the co-located resources behind the constraint.

Generally when publishing final proposals, the ISO strives to make only small, less substantive changes to the policy. The ISO does this because there are no further iterations of the papers and little discussion after the final proposal is published. The ISO included the single-scheduling-coordinator requirement believing it was a prudent measure that was needed for reliability of the grid.

The ISO presented the proposal at a stakeholder meeting on May 7, 2020. During this meeting the ISO received feedback from a number of stakeholders stating that the added “one SC requirement” was overly burdensome, to the point where it may preclude current and future procurement. The ISO also heard that many of the co-located resources that were currently being contracted would have different scheduling coordinators for different resource IDs at co-located facilities.

¹ Hybrid resources initiative: <http://www.caiso.com/StakeholderProcesses/Hybrid-resources>.

With this stakeholder feedback, the ISO looked for other potential solutions to address the manual work required by operators to exceptionally dispatch co-located resources. Potential solutions discussed at the stakeholder meeting included updating exceptional dispatch software to include constraints at the point of interconnection, which are not currently modeled. After further consideration, the ISO has determined that it can manage reliability by limiting flows at the point of interconnection.² This solution will continue to allow underlying resources to have different scheduling coordinators, but still protect reliability of the grid. If operational issues or challenges arise given greater operational experience, the ISO can return to stakeholders with additional and or new proposals to address these concerns.

This proposed change will require updates to the “key policy proposals” outlined in the proposal section of the second revised straw proposal published on April 29th. The ISO will no longer retain the following requirement:

- ~~(4.5) Co-located resources may only submit bids from one scheduling coordinator~~

The ISO will instead introduce this new requirement:

- The ISO may adjust flow limits at POIs of co-located resources for exceptional dispatch

Next Steps

As previously announced, comments for the policy paper and this addendum are due to the ISO on May 28th. The ISO plans to host a public call with the market surveillance committee to discuss hybrid matters in more detail on May 29, 2020. Further, the ISO will take the hybrid policy related to co-located resources to the ISO Board of Governors meeting to request approval in July 2020. The ISO still plans to have implementation complete for this component of the policy in fall 2020.

² The CAISO tariff currently requires control technologies where generating facilities’ capacity exceeds their interconnection capacity, including for co-located generating units. See Section 3.1 of Appendix DD to the CAISO tariff.