

Stakeholder Comments Template

Flexible Ramping Product Refinements Issue Paper/Straw Proposal

This template has been created for submission of stakeholder comments on the **Flexible Ramping Product (FRP) Refinements issue paper/straw proposal** that was posted on November 14, 2019. Information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/StakeholderProcesses/Flexible-ramping-product-refinements>.

Upon completion of this template, please submit it to initiativecomments@caiso.com by close of business on December 5, 2019.

Submitted by	Organization	Date Submitted
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Please provide your organization's comments on the following topics as discussed in the paper/proposal, including your positions on the proposed solutions (i.e., support, support with caveats, oppose, oppose with caveats). When applicable, please provide detailed examples to explain your organization's positions.

1. Proxy demand response eligibility (section 2):

PSE supports the development of a business process to ensure that proxy demand resources select the correct scheduling/dispatch options in the Master File.

2. Ramp management between fifteen minute market and real-time dispatch (section 3):

PSE supports maintaining a portion of the FRP awards in the buffer interval that were procured in the prior FMM.

3. Minimum FRP requirement for CAISO (section 4):

PSE supports the proposal requiring a minimum amount of FRP to be procured from resources within the CAISO BAA for the reasons set forth in the Straw Proposal. However, it is currently unclear whether CAISO plans to extend this requirement to the other EIM BAAs. If CAISO does plan to extend this requirement outside of the

CAISO BAA, PSE requests that CAISO provide additional information about how it will select which BAAs the requirement will extend to, how the minimum requirements will be established in the EIM BAAs, and the anticipated impact such requirements would have on price. PSE looks forward to further discussion on this topic in the PRR process.

4. Deliverability enhancement (section 5 – 5.2):

- **Zonal vs. nodal procurement.**

Please provide comments on both pros/cons discussed in the paper.

PSE appreciates CAISO's efforts to address the FRP deliverability issue that has been highlighted in various CAISO forums during the past year. PSE agrees that the nodal approach is a more durable and accurate solution compared to zonal procurement, but also believes that an appropriate balance must be struck between achieving these goals and market performance. PSE is concerned that the benefits of this approach may not outweigh its practical effects, e.g. increased time to run the market, compressed market timelines, etc. PSE requests that CAISO provide additional information about how the increased complexity and significant computational resources that will be required for the nodal solution will impact market performance in this regard.

5. EIM Governing Body classification (section 6.2):

6. Additional comments:

In addition to the topics included in the Straw Proposal, PSE requests that CAISO expand the scope of this initiative to include improving the current methodology for calculating an EIM entity's FRP requirement. PSE agrees with other EIM entities that CAISO should reduce its reliance on historical data when calculating the FRP requirement in the current framework, and instead incorporate forecast levels of load and weather. PSE believes that this initiative would be an appropriate forum to address this issue.