

Western Power Trading Forum on the CAISO's Hybrid Resources Revised Straw Proposal
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The 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.

Summary

WPTF thanks the CAISO for this opportunity to provide these brief comments on the CAISO's Hybrid Resources Revised Straw Proposal discussed at the December 17, 2019 stakeholder meeting. WPTF commends the CAISO for including additional detail and clarification in this iteration of the proposal. This proposal is by no means one with limited scope – it touches nearly every aspect of the CAISO market from interconnection through bidding and ultimately settlements. Therefore WPTF believes it is absolutely imperative that the CAISO and stakeholders fully understand all the aspects of the proposal and their interactions with one another so participants can make a more informed decision about the market structure will impact the operation of and economics of co-located and hybrid resources under each potential participation model. Thus, the comments below focus on seeking clarification on several elements of the proposal, most of which can be obtained through a working group that focuses on walking stakeholders through several detailed examples.

Overall, WPTF appreciates the CAISO's attention to hybrid resources as its expected more of these resource types to be developed and participating the market shortly. WPTF particularly supports the CAISO's prioritization of enhancements to implement in the near term; however, the CAISO should not postpone discussion of phase 2 items indefinitely to ensure timely implementation.

Detailed Comments

Detailed Examples

As indicated by the discussion at the December 17, 2019 stakeholder meeting, there are several elements that could use additional clarification. Due to the complexity of these elements – most notably the forecasting aspect – WPTF strongly encourages the CAISO to develop detailed examples of how co-located and hybrid resources would participate in the market under the various participation models to (1) provide clarification of the questions posed by participants during the meeting, (2) highlight differences between the options to better inform participants,

and (3) enable more robust discussions that may identify areas needed further enhancements. These examples could be discussed during stakeholder workshop prior to the next iteration of the proposal being developed.

WPTF asks that the examples further clarify the following aspects:

- When hybrid resources and co-located resources are able to update forecasts and which forecasts will be used in both the 15-minute and 5-minute markets
- Interaction between resources bids and upper economic limit used in both the 15-minute and 5-minute market under all participation models
- Differences for a hybrid resource that opts to be modeled under the NGR versus traditional generator participation models
- How SCs are expected to predict optimal charging/discharging of the resource to include in the net-to-grid forecast. The optimal use is dependent on market prices and those fluctuate significantly not only over time but also between binding and advisory prices.

Once more clarification of the forecasting element of the proposal is provided via examples, WPTF asks that the CAISO also provide an example of how the resources will be settled for Imbalance Energy. One of WPTF's main concerns, or unknowns at this point, is how imbalance charges will be assessed due to ramping differences or in the event the resource is unable to meet its schedule/forecasted value. Does the ability (or inability) to meet the schedule/forecasted value depend on the ability of the SC to accurately predict when the resource should be charged/discharged when it submits the net-to-grid forecast?

Other comments

During the stakeholder meeting, the CAISO noted that it has intentionally not discussed RAAIM implications in this stakeholder process due to the CAISO considering replacing RAAIM with a UCAP methodology under the RA Enhancements initiative.

Given the implementation timing of both these initiatives, WPTF strongly encourages the CAISO to discuss how hybrid and co-located resources would be treated under RAAIM or if they will be considered RAAIM exempt. Furthermore, the CAISO should also discuss with stakeholders in both proceedings (Hybrid Resources and RA Enhancements) how these resources would be treated under the UCAP methodology as well as the transition away from RAAIM to UCAP.

WPTF thanks the CAISO for consideration of these comments.