

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Aimee Higby anhigby@bpa.gov	Bonneville Power Administration	5/17/2018

Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Second Revised Draft Framework Proposal posted on April 27, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due May 17, 2018 by 5:00pm

The Second Revised Draft Framework Proposal posted on April 27, 2018 and the presentation discussed during the May 3, 2018 stakeholder meeting may be found on the [FRACMOO](#) webpage.

Please provide your comments on the Second Revised Draft Framework Proposal topics listed below and any additional comments you wish to provide using this template.

Bonneville Power Administration (BPA) appreciates the opportunity to provide California Independent System Operator (CAISO) comments on its Second Revised Draft Framework Proposal (04/27/2018). Bonneville continues to support CAISO's proposal on Flexible Resource Adequacy Criteria and Must Offer Obligations (FRAC MOO). BPA continues to look forward to working with CAISO on this initiative and looks forward to the final version of the proposal.

BPA is a federal power marketing administration within the U.S. Department of Energy that markets electric power from 31 federal hydroelectric projects and some non-federal projects in the Pacific Northwest with a nameplate capacity of 22,500 MW. BPA currently supplies 30 percent of the power consumed in the Northwest. Bonneville also operates 15,000 miles of high voltage transmission that interconnects most of the other transmission systems in the Northwest with Canada and California. BPA is obligated by statute to serve Northwest municipalities, public utility districts, cooperatives and then other regional entities prior to selling power out of the region.

BPA is generally supportive of the Second Revised Draft Framework Proposal but has further clarification questions for the CAISO. BPA respectfully submits the following comments and requests for clarification.

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:

No comment

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.

Comments:

No comment

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:

BPA would encourage the CASIO to perform back testing on its quantification of the flexible capacity needs to ensure that the CAISO's methodology is accurately capturing its needs.

BPA would like to reiterate its question from our Day-Ahead Enhancements comments for clarification on how the CAISO will optimize energy purchases to meet flexible resource adequacy needs, imbalance reserve product needs, ancillary services requirements and awarding energy in the day-ahead market.

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:

BPA is generally supportive of the different products the CAISO has proposed. It is BPA's understanding that the main difference between the Day-Ahead Load Shaping Product (DALSP)

and the 15 Minute Flexible RA Product (15MP) is the difference in Effective Flexible Capacity (EFC), with the DALSP EFC based on ramping capability over 3 hours and the 15MP EFC based on ramping capability over 15 min. Are there other differences between eligibility requirements, counting rules and must offer obligations for these two products?

BPA would like clarification from the CAISO on the information that will be required for an external resource to qualify to provide flexible RA, specifically as it relates to the CAISO calculating the EFC.

It is BPA's understanding that the CAISO will request bids for multiple products to allow the CAISO to choose the highest value product to deploy and that the CAISO will not grant a resource more awards than it is capable to giving.

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:

No comment

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:

BPA appreciates the CAISO's inclusion of external resources in the flexible RA program. Given the new products in the FRAC MOO initiative and the tie to the Day-Ahead Market (DAM) Enhancements, in particular the IRP, BPA suggests that the CAISO hold a joint-workshop or stakeholder meeting to go over the relationship between FRAC MOO and the DAM Enhancements.