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To: ISO Stakeholder Affairs <ISOStakeholderAffairs@caiso.com>
Subject: [EXTERNAL] CDWR's comments on -Preliminary Flexible Capacity Needs and Availability Assessment Hour Requirements

CDWR appreciates making changes to the flexible capacity allocation formula for 2020. Based on the CAISO modified formula and data provided, CDWR has come to a conclusion that the modified formula for allocation still does not address the CDWR's concern that carefully planned negative load ramps to help system reliability can still be penalized; for example, for the month of January CDWR observed that even though CDWR maintained negative load ramps in average, it was allocated positive ΔL allocation. This problem persists due to the scaling factor which is calculated as sum of LSE's start and end load divided by the system start and end load for the month. For entities like CDWR where there is no load growth and no consistent ramping load increase, the modified method still can allocate obligation.

As a solution, CDWR has analyzed two options to further modify. Option1 (as proposed here by CDWR) would address the scaling concern; the revised formula is shown in the attached spreadsheet. CDWR also thought of second option in which scaling factor would be the ratio of LSE's average ramp to the system average ramp; and discovered that may yield to erroneous results, such as for July, as shown, LSE may receive high positive allocation. Hence, the second option is not a solution.

Therefore, CDWR believes, CDWR proposed (option 1) modification of formula will provide equitable allocations.

ISO proposed formula, in the spreadsheet: ΔL allocation to SC= $D19 + ((B19 + C19) / (E19 + F19)) * (H19 - G19)$

CDWR proposed option 1: ΔL allocation to SC= $IF(D19 + ((B19 + C19) / (E19 + F19)) * (H19 - G19) > D19, D19, D19 + ((B19 + C19) / (E19 + F19)) * (H19 - G19))$

Option 2: is not a viable option.

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