

California Department of Water Resources State Water Project

Comments on CAISO's Draft 2016 Stakeholder Initiatives Catalog

November 4, 2015

On October 8, 2015, CAISO posted the Draft 2016 Stakeholder Initiatives Catalog followed by a web conference on October 15, 2015. California Department of Water Resources State Water Project (CDWR) appreciates the opportunity to provide comments.

Comments:

Ranking process should always be conducted:

In the 2016 catalog, CAISO stated that they will not rank or perform an analysis on discretionary initiatives due to a high volume of initiatives currently underway and planned for 2016. CDWR requests that CAISO conduct the ranking process as it allows stakeholders to offer their input and communicate their priorities with respect to discretionary initiatives. In the case that the initiatives listed in the roadmap are postponed or delayed, CAISO can start the initiatives that are highly ranked by stakeholders.

2 of 3 discretionary initiatives to start in late 2015, and 4 of 5 discretionary initiatives to start in 2016 address regional expansion of the ISO:

A majority of the discretionary initiatives that CAISO proposes to start in late 2015 and in 2016 addresses regional expansion of CAISO, all of which were not in the 2015 catalog. CDWR understands CAISO is focused on regional expansion, however it continues to shift CAISO resources away from initiatives desired by legacy stakeholders, is making legacy stakeholders continue to pay for these diverted resources, and has removed one of the primary purposes of the "Stakeholder Initiatives Catalog" by eliminating this year's ranking process. CDWR suggests that CAISO fully separate its regionalization efforts from this catalog, along with separately funding and supplying staff. The CAISO has unfortunately moved away from a Stakeholder inclusive process and the title of this Catalog has become misleading.

Requested Deletions, Additions and Revisions:

5.1.13 Energy Storage and Aggregated Distributed Energy Resources – CDWR suggests that CAISO expand the description of the Energy Storage and Distributed Energy Resources (ESDER) initiative to include the scope of the 2016 phase. The ESDER's Revised Scope and Schedule, which was posted on June 25, 2015, listed several market enhancements. CDWR advocates the proposed revisions to the Non-Generator Resource (NGR) model that would allow for hydro-resources to participate more fully in the Real-Time wholesale market, and would like these enhancements described in the ESDER narrative.

6.5.4 Insufficient CRR Hedging - CDWR requests that this initiative be removed from the catalog.

6.5.9 CRR Allocation - CDWR requests that CAISO make the following revision to the narrative of 6.5.9 CRR Allocation as indicated in bold text:

CDWR requests that CAISO introduce an initiative to revise the **Counter-flow CRR** methodology used for allocating congestion revenue rights sourced at the trading hubs. CDWR believes that the current methodology contributes to the ongoing revenue imbalance of the congestion revenue right balancing account and is counterproductive to the stated purpose for CRRs.

California Department of Water Resources State Water Project

Aggregated Pumps and Pump Storage Initiative (Section 11.4 in the 2015 Stakeholder Initiatives Catalog) - CDWR requests that CAISO add the Aggregated Pumps and Pump Storage initiative back into the Stakeholder Initiatives catalog. This initiative included enhancements to Participating Load (PL) that would allow PL to participate more fully in the CAISO market and may provide beneficial in-state contributions towards reducing over-generation.

Catalog Deletions Section (Section 13 in the 2015 Stakeholder Initiatives Catalog) - CAISO has removed several initiatives that were not listed to be deleted in the 2015 catalog. Previous catalogs included a section listing catalog deletions which included an explanation for the deletion or whether the topic was addressed in a different initiative. CDWR requests that CAISO add the “Catalog Deletions” section back into the 2016 catalog.

For additional transparency, the CAISO should provide a cross-reference when changes are made to initiative titles and section numbers between Catalog years.