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Submitted to the CAISO at initiativecomments@CAISO.com by Tim Mason (Policy Director) and Susan Schneider (Consultant)

RE: Comments of the Large-scale Solar Association on Self-Schedules Bid Cost Recovery Allocation and Bid Floor - Draft Final Proposal

The Large-scale Solar Association (LSA) welcomes this opportunity to comment on CAISO's draft 2018 Stakeholder Initiatives Catalog (Catalog), Three-Year Roadmap (Roadmap), and 2018 Annual Plan (Annual Plan). The CAISO is implementing two changes in the 2018 planning process:

- Updating the Catalog twice annually, in January and July; and
- Issuing a three-year Roadmap, in addition to the Annual Plan, to incorporate a longer-term perspective and give stakeholders more information to plan their market activities.

LSA supports CAISO efforts to craft a comprehensive long-term stakeholder initiatives strategy that supports future market development and system operations, as the CAISO transitions to a cleaner grid with a more regional focus. The CAISO documents in this effort lay out a realistic approach to those changes that balance the potential benefits with available CAISO and stakeholder resources.

LSA's comments focus on issues inclusion of the Interconnection Process Enhancements (IPE) 2018 initiative as an important stakeholder initiative in the Roadmap and Annual Plan. LSA strongly supports retention of this initiative, which is somewhat separate from the nearer-term Day Ahead focus of much of rest of the framework in those documents.

It has been several years since the last IPE effort. In the meantime, the Generator Interconnection and Deliverability Allocation Procedures (GIDAP) process, Commercial Viability Criteria, and other key features have been fully implemented, and additional adjustments are now warranted.

LSA appreciates the CAISO's advance request this year for input on the IPE 2018 scope. Pending receipt of additional details, LSA supports the CAISO's proposed general topics of deliverability, energy storage, generator interconnection agreements, interconnection financial security and cost responsibility, interconnection requests, and project modifications.

LSA wishes to comment also on two additional topics – the proposed Intertie Deviation Settlement initiative and the scope of the revived Flexible Resource Adequacy/Must-Offer Obligation Phase 2 (FRAC-MOO2) initiative.

To address Dispatch-Instruction declines by intertie resources, LSA believes that the CAISO should take another look at lowering the bid-price floor. LSA supports lowering the bid-price floor as one means to encourage submission of economic bids. A lower bid-price floor would also encourage voluntary compliance with CAISO Dispatch Instructions without yet another set of rules for imports that are different than those for internal resources, or a more command-and-control compliance approach more generally.

In addition, as part of the continuation of the complex FRAC-MOO2 initiative into 2018, LSA recommends that the CAISO broaden the scope to consider how best to use the diverse range of resource technological capabilities that can provide the flexibility that the CAISO needs going forward. Specifically, controllable utility-scale solar can provide cost-effective services to reduce the amount of other flexible resources needed for ramping, given a well-designed market that appropriately values the service. The FRAC-MOO2 initiative should explore market-design changes in 2018 that would provide appropriate incentives and compensation for these services.

LSA thanks the CAISO for its hard work on these planning documents generally and looks forward to seeing its input reflected in the final documents.