

Discretionary Initiatives High Level Ranking Template

Submitted by	Company	Date Submitted
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Instructions

Please use this template to rank your top five discretionary market design initiatives.

1. Select five market design initiatives¹ from the November 5, 2013 version of the Stakeholder Initiatives Catalog.
2. Provide the name of the initiative.
3. In the “High Level Prioritization Criteria Matrix” provide a score of 0, 3, 7, or 10 for each of the four criteria in green boxes.
4. Provide a total tally of your score for each initiative.
5. Below the matrix, provide detailed explanations for each criterion using as much space as you need. Providing a rationale for the ranking and considering these initiatives over others is critical to this ranking process. Since dollar and resource estimates are understandably approximate at this level, the qualitative discussion will be given more emphasis. Similarly, the numerical rankings are informative and may help to organize the discussion but the qualitative information will be critical for the ISO as we compare initiatives.

¹ Infrastructure and planning initiatives will not be ranked as they are considered separately and there are only two discretionary initiatives.

Discretionary Initiatives High Level Ranking Template

Initiative 1: Affected Systems (10.4)

Notes:

LSA appreciates the clarifications and process improvements that the CAISO has suggested in the current “Affected System Impacts of Generator Interconnections” initiative and supports the CAISO’s proposals in that effort. LSA also understands the CAISO’s reservations about taking that process further to actively work with Affected Systems to develop voluntary cooperation and coordination agreements.

However, as LSA has noted in that other initiative, the current Affected Systems framework itself is a significant impediment to generator development. Therefore, LSA believes that it is important for the CAISO to take a more active role to come to voluntary agreements with Affected Systems on fundamental improvements to that framework.

LSA suggests that the CAISO can minimize the impact on its resources by using the same approach here as with the Energy Imbalance Market (EIM) – begin with a willing Affected System operator and negotiate agreements that could serve as a model for voluntary arrangements with other entities.

These agreements could begin with development of common assumptions and timelines for the major interconnection-study process elements. Ultimately, the goal should be Affected System provision of sufficient information to the CAISO (data, assumptions, and desired study methodology) such that analysis of those other systems can be conducted as part of the CAISO’s Phase I/Phase II study process (and within the same timeframe). Thus, there would be only one set of studies, but the results would be timely and would reflect the needs of the Affected Systems as well.

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	7
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	3
						Total	30

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Grid Reliability (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability*) –

This recommended effort would remove a significant impediment to the development of generation resources needed for grid reliability and service to load.

Improving Overall Market Efficiency (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability market efficiency (typographical error in template)*) –

This recommended effort would greatly improve the overall efficiency of the interconnection-study process by coordinating and consolidating the current uncoordinated, duplicative, and inefficient separate study processes of the CAISO and Affected Systems.

Market Participant Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) –

This recommended effort would require the participation of Affected System personnel and developer representatives to negotiate and implement. However, the process improvements enabled by this effort should reduce the effort needed by both.

ISO Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) –

This recommended effort would require the participation of CAISO personnel to negotiate and implement. As noted above, however, the CAISO could minimize the effort needed by: (1) starting with one willing Affected System entity and then using the resulting agreements as a basis for discussions with others; and (2) starting with negotiation of coordinated study and related processes and then moving to consolidated processes.

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Initiative 2: Generator Interconnection Procedures 3 (“GIP-3”)(10.2)

Notes:

The CAISO has not yet laid out the next steps in its ongoing improvements to the generator-interconnection process. However, LSA believes that the CAISO’s annual interconnection-process reforms have been extremely beneficial to ratepayers and the market as a whole, and that continuing the reform process should be a very high priority over this next year. The scoring and qualitative input below reflects and explains this general perspective

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
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B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	3
						Total	30

Discretionary Initiatives High Level Ranking Template

Grid Reliability (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability*) –

The GIP/IPE related reforms have removed significant and unnecessary obstacles to the study and interconnection of generation resources needed for grid reliability and service to load.

Improving Overall Market Efficiency (*provide a detailed explanation of how and why this initiative provides an improvement in ~~grid reliability~~ overall market efficiency*) –

The GIP/IPE reforms have streamlined the process and reduced the cost to interconnect new resources. This has improved the ability of viable resources to interconnect and begin generating, and lowered the cost to ratepayers of reaching state policy goals.

Market Participant Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) –

Most of the GIP/IPE reforms have concerned process improvements that typically reduce the amount of Market Participant financial and other resources required for resource interconnection and initial operation.

ISO Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) –

While some GIP-related reforms have increased required CAISO resources, they have also avoided expensive litigation that can or could otherwise occur as a result of unclear tariff language. For example, revisions allowing for re-issuance of study reports and potential delays in security posting when there are “significant errors or omissions” could have avoided FERC complaint that was filed before those reforms were implemented.

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Initiative 3: Storage Generation Plant Modeling (11.11)

Notes:

LSA supports PG&E's comments that this initiative "should not be isolated to pumped hydro, but more generally to all storage resources." In particular, LSA strongly urges the CAISO to include modeling of storage media in solar thermal projects as part of this initiative.

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
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B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	7
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	3
						Total	27

Grid Reliability (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability*) –

This initiative should help the CAISO manage the grid and meet peak demands through addition of cost-effective storage resources and better use of available storage resources.

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Improving Overall Market Efficiency (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability overall market efficiency*) – This should lower the cost of renewables integration and reliability management through proper recognition of the benefits of storage resources and potential market incentives to add cost-effective storage.

Market Participant Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) – This initiative could provide net benefits to providers of storage resources and should reduce costs to other Market Participants.

ISO Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) – CAISO impacts would likely include some modeling improvements, but these improvements could be combined with changes needed anyway, e.g., to refine the new GIDAP process.

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Initiative 4: _____

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	
						Total	

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

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ISO Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

Initiative 5: _____

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	X
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	
						Total	

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) –

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –

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ISO Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) –*