



## Stakeholder Comments Template

### Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the RA Enhancements stakeholder working group held on April 8 & 9. The stakeholder meeting presentation and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on April 22.

Submitted by	Organization	Date Submitted
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**Please provide your organization's comments on the following issues and questions.**

Thank you for the opportunity to comment. MSCG is focusing its comments on the import RA topics.

#### **1. Unforced capacity concepts: Inclusion of forced outage rates in capacity counting/valuation**

Please provide your organization's feedback on the capacity counting and forced outage rate/unforced capacity topic. Please explain your rationale and include examples if applicable.

#### **2. Flexible RA concepts**

Please provide your organization's feedback on the Flexible RA topic. Please explain your rationale and include examples if applicable.

### 3. RA showings and assessments

Please provide your organization's feedback on the RA showings and assessment topic. Please explain your rationale and include examples if applicable.

#### a. Portfolio assessment

Please provide your organization's feedback on the portfolio assessment sub-topic. Please explain your rationale and include examples if applicable.

### 4. Planned Outage Substitution

Please provide your organization's feedback on the Planned Outage Substitution topic. Please explain your rationale and include examples if applicable.

### 5. CPM and Backstop authority

Please provide your organization's feedback on the CPM and Backstop Authority topic. Please explain your rationale and include examples if applicable.

### 6. Import RA provisions

Please provide your organization's feedback on the import RA provisions topic. Please explain your rationale and include examples if applicable.

MSCG reiterates its position that requiring an advance designation of either specific resources or the source Balancing Area ("Source BA") for RA imports will not improve reliability. This concept will advantage vertically integrated utilities that can point to a 'system' of units and disadvantage those market participants that supply import RA from a portfolio of resources located in several Source BAs, resulting in an uneven playing field and potentially result in a loss of reliability due to native load requirement and remote transmission in the single source BA. If too restrictive, this rule change could have the unintended consequence of both reducing reliability and reducing liquidity for import RA products.

If CAISO does move ahead with requiring the identification of resources in advance, then it should allow for the identification of several resources or source BAs that are backstopping an intertie RA contract. Anything less would only serve to make the import RA product less reliable. There should also be no limitation on substitution in realtime if a more efficient firm resource is able to serve the RA commitment come time for delivery.

As some commenters and CAISO pointed out on the last stakeholder call, there are recent changes coming for inertia deviation settlements and this separate stakeholder initiative should help address issues around undelivered import RA products.

MSCG is not opposed to specifying the firmness of the import energy or requiring firm transmission reservations to backstop import RA products. However, more discussion is required regarding locations where generation is sourced at a hub where no additional transmission is required to access the CAISO market (ie: Palo Verde). Specification of firmness of imports or transmission contracts can be done either via attestation or by the limited sharing of redacted contracts with CAISO.

MSCG also reiterates that expanding the RA MOO into realtime (not just for MW awarded in IFM) will alter the nature of the product and could have the effect of raising RA prices for load serving entities unnecessarily. This is because under the proposed real-time bidding rule, the seller of import RA will now have to hold that resource right up through real-time for the CAISO's use whereas today if CAISO determines it is not needed in Day Ahead or RUC market, the market participant can sell the output in the real-time market elsewhere. While a real-time bidding requirement may offer some additional reliability benefits for the uncertainty that can occur between close of Day Ahead/RUC markets and start of real-time markets, this additional reliability will come at an increase cost to load serving entities for each and every day.

MSCG would also like to request more data regarding the chart on slide 72 of the presentation regarding undelivered import RA. More specifically, MSCG requests a breakdown of why an import RA was undelivered (ie. Was an e-tag never submitted? Was this self-scheduled energy that was curtailed?)

## **7. Maximum Import Capability and Import Capability Allocation provisions**

Please provide your organization's feedback on the Maximum Import Capability and Import Capability Allocation provisions topic. Please explain your rationale and include examples if applicable.

## **8. Must Offer Obligations concepts**

Please provide your organization's feedback on the Must Offer Obligation concepts topic. Please explain your rationale and include examples if applicable.

## **9. Local capacity assessments with availability-limited resources**

Please provide your organization's feedback on the Local capacity assessments with availability-limited resources topic. Please explain your rationale and include examples if applicable.

**10. Slow demand response**

Please provide your organization's feedback on the slow demand response topic. Please explain your rationale and include examples if applicable.

**Additional comments**

Please offer any other feedback your organization would like to provide on the April 8-9 RA Enhancements stakeholder working groups.