

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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California ISO

Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Revised Draft Framework Proposal posted on January 31, 2018.

Submit comments to InitiativeComments@CAISO.com

[Comments are due February 21, 2018 by 5:00pm](#)

The Revised Draft Framework Proposal posted on January 31, 2018 and the presentation discussed during the February 7, 2018 stakeholder web conference may be found on the [FRACMOO](#) webpage.

Please provide your comments on the Revised Draft Framework Proposal topics listed below and any additional comments you wish to provide using this template.

The ISO is in the process of updating the data provided in the Revised Draft Framework Proposal. The ISO will include additional observations for 2016 and 2017. Additionally, the ISO will estimate the impacts of 15-minute IFM scheduling. The ISO will release this updated analysis as soon as possible.

Identification of ramping and uncertainty needs

The ISO has identified two drivers of flexible capacity needs: General Ramping needs and uncertainty. The ISO also demonstrated how these drivers related to operational needs.

Comments:

[The CAISO's approach seems reasonable.](#)

Definition of products

The ISO has outlined the need for three different flexible RA products: Day-ahead load shaping, a 15-minute product, and a 5-minute product.

Comments:

NRG supports the CAISO’s position to use the “...widest range of uncertainty for all real-time flexible capacity products.”¹ The CAISO’s observation in footnote 14 that it may discard anomalous data points introduces some concern, namely, how the CAISO will identify which data points are “anomalous” and should be discarded.

How the CAISO intends to translate this three-product paradigm to forward RA procurement is still not clear. On page 44 of the revised framework, the CAISO says “The ISO proposes to continue using current practices for determining the adequacy for flexible RA showings. Specifically, the ISO will continue to assess if sufficient flexible RA capacity has been shown by looking at all showings and for each product first.” Does this mean the CAISO will assess whether each LSE has shown their required shares of all three products, or that it will assess the sufficiency of each product on a system basis? The CAISO should clarify how it envisions its three-product framework will translate into RA procurement.

Quantification of the flexible capacity needs

The ISO has provided data regarding observed levels of uncertainty, in addition to previous discussions of net load ramps.

Comments:

No comment.

Eligibility criteria and must offer obligations

The ISO has identified a preliminary list of resource characteristics and attributes that could be considered for resource eligibility to provide each product. Additionally, the ISO is considering new counting rules for VERs that are willing to bid into the ISO markets.

Comments:

NRG continues to question the CAISO’s insistence that resources must have a start-up time less than 60 minutes to be eligible to provide flexible capacity. In declining to apply this start-time criterion to qualify to provide the proposed Day-Ahead Load Shaping product, the CAISO recognizes that it can control which resources are available to provide flexibility in real-time through the unit commitment process. Given this, and given the lack of any definitive analysis that shows it is essential to limit resources with start-up times less than 60 minutes to providing flexible capacity, this criterion remains unsupported.

¹ Revised Framework at page 32.

Equitable allocation of flexible capacity needs

The ISO has proposed a methodology for equitable allocation of flexible capacity requirements. The ISO seeks comments on this proposed methodology, as well as any alternative methodologies.

Comments:

No comment.

Other

Please provide any comments not addressed above, including comments on process or scope of the FRACMOO2 initiative, here.

Comments:

The CAISO's proposal to subject all flexible capacity to a 24x7 must-offer obligation would simplify the provision of flexible capacity and warrants further consideration. This proposal, however, also introduces significant complexities.

As the CAISO acknowledged at the February 7 meeting, the revised flexible capacity framework will require the complete redesign of RAAIM. Currently, generic RA has a 24 x 7 MOO, but its performance is only measured across five hours a peak day. In contrast, the current Category 1 MOO is for 17 hours, and the CAISO uses all 17 hours in assessing the performance of the flexible capacity. Clearly, neither all 24 hours of the generic MOO or all 17 hours of the flexible MOO are not of equal importance. If the CAISO is going to move to a 24x7 MOO for flexible capacity, it should consider a new RAAIM that more closely resembles the current RAAIM for generic RA. Further, no new flexible capacity framework can or should be put into place until RAAIM is completely redesigned – and tested.

With regards to establishing EFC for VERs – given the complexity that would be involved in using Effective Load Carrying Capability analysis, using an “exceedance” methodology to establish EFC values for VERs might work. Clearly, the reasonableness of such an approach would depend on the exceedance threshold used.