

Powerex Comments

Subject: Draft Final Standard Resource Adequacy Capacity Product Proposal

Submitted by	Company	Date Submitted
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Powerex appreciates the CAISO providing this opportunity to comment on the Draft Final Proposal for the Standard Resource Adequacy Capacity Product.

Powerex is in general agreement with the CAISO's Draft Final Proposal in regards to the implementation of the SCP and the inclusion of an AS Must Offer Obligation; the Market Design Principles; and the need for an Availability Standard and Incentives for compliance. However, Powerex has some specific comments on the proposal for the treatment of RA imports.

The CAISO is proposing an availability standard of 100% for RA imports, as measured by a must offer into the DAM, after netting out any transmission outages or de-rates.

Powerex agrees that the CAISO should net out the impact of any transmission outages or de-rates when determining the availability of an RA import. Powerex also agrees with the CAISO that the SC for the RA import must offer 100% of their RA capacity into the DAM during Peak Hours. However Powerex also suggests that absent transmission outages or de-rates the RA imports must also deliver on any DA dispatches. Powerex does not believe that an RA import will have met its RA obligations under the SCP if the RA import does not accept its DA schedule.

Powerex also agrees that it may be appropriate to penalize RA imports with less than 100% availability but only if meeting this 100% availability standard allows RA imports to be eligible to share in any bonus pool. Powerex strongly suggests that meeting this higher availability standard (as compared to what the CAISO has proposed for other RA resources) should make the RA import eligible for a share of any bonus pool. If meeting this higher availability standard does not make imports eligible for a share of the bonus pool then Powerex believes that RA imports should be subject to the same Availability Standard as other RA resources (i.e., less than 100% availability). A proposal where an RA import faces a higher availability standard and penalties for non-compliance but does not share in the bonus pool would be unreasonable in Powerex's view.

Thank you for the opportunity to provide comments.