

Stakeholder Comments – Flexible Capacity Requirements for 2021 through 2023

| Submitted by | Company | Date Submitted |
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SCE appreciates the opportunity to provide comments on the CAISO presentation describing the study criteria and scope for flexible capacity requirements (FCR) dated January 28, 2020¹.

During the January 28, 2020 stakeholder call, the CAISO staff posed a question of the possibility of reconstructing net load variability taking into account renewable curtailments. The existing FCR study does not consider renewable curtailments in deriving flexible ramping needs, because renewable curtailments (i.e. the power being curtailed that does not contribute to the ramping needs) do not need to be factored in. In fact, when curtailments are due to reasons such as to resolve a low frequency event or similar reliability issues, those curtailments are to occur regardless of whether there is sufficient ramping capability on the grid. When curtailments are economic curtailments (i.e., based on economic bids), then those curtailments appropriately reflect the willingness of the resource owner to curtail the resource; through those economic curtailments, the resource owner may receive benefits (e.g., avoid negative prices or a charge for producing the power) and thus the curtailments contribute to lowering the flexible ramping requirements as designed. In the case that the CAISO continues to consider reconstructing the net load variability by taking into account renewable curtailments, SCE requests that the CAISO clarify what renewable curtailments would be taken into account and what are the rationale for including curtailments in deriving the flexible capacity requirements. Without doing so, there is a risk of procuring flexible capacity that is not expected to ever be needed as the curtailments effectively limit the ramping need.

¹ Presentation, dated January 28, 2020, available at <http://www.caiso.com/Documents/Presentation-2021FlexibleCapacityNeedsAssessment-Jan282020.pdf>