

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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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:

SDG&E agrees that flexible capacity needs are caused in part by uncertainty. Unfortunately, the CAISO's uncertainty calculation includes the difference between day ahead award and the FMM

schedules. This calculation over estimates the “uncertainty” due to the lack of 15-minute granularity in the day ahead markets. As the CAISO enhances its day-ahead markets, this difference between the markets is expected to decrease for each interval. The CAISO has committed to updating data to incorporate the day ahead 15 minute granularity. The CAISO also changed a part of its proposal to only be the maximum up or down ramp “uncertainty” rather than the sum of the maximum up and down ramps. SDG&E looks forward to providing additional comments when that data is released.

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:

SDG&E believes that the three different flexible RA products will cause additional complexity to the bilateral market construct. It will be very difficult for parties to track the various MWs a resource may be contracted to another party. This complexity will also affect the availability assessment calculations.

The CAISO should standardize the MOO for all Flex resources and only have 1 flexible RA product that can meet the operational needs and let the market optimization dispatch the resources when necessary. Creating three flexible RA products is not the solution.

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:

SDG&E looks forward to the CAISO releasing new data that incorporates the DAM enhancements and proposed uncertainty calculation changes. The CAISO should clarify whether the proposal is for a coincident maximum ramp and uncertainty or non-coincident day.

SDG&E also recommends the CAISO consider netting out portions curtailable renewable generation from the net load calculation. Curtailing generation output raises the belly of the duck and lowers the net load ramp itself. This is the same concept as generating energy to meet peak demand. A MW curtailed is the same as a MW generated by another resource for net load ramp.

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:

SDG&E requests the CAISO to allot additional time to discuss the EFC deliverability study. The details of the deliverability study should be discussed in this initiative. The CAISO should also explain why deliverability of imports do not need to be studied during the ramping hours. The MIC is allocated based on 4 peak hours of 2 non-coincident days over 2 past years. The net load ramp occurs most during shoulder months rather than summer months. Has the CAISO looked at the data to see if the same amount of imports would be deliverable during the shoulder months?

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:

SDG&E has no comments at this time.

Other

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

Comments:

SDG&E requests the CAISO to pause the FRACMOO 2 initiative until the day ahead enhancements initiative is implemented. There does not seem to be an urgent need at the moment to adjust the flexible RA products and MOO because the current products are not failing the CAISO's operational needs.