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The Western Power Trading Forum (WPTF) appreciates the opportunity to provide the below limited comments on the August 10, 2016 Regional RA working group.

WPTF supports the ISO developing and using uniform counting rules in the Resource Adequacy process.

The ISO proposes to develop and use uniform counting rules for all resource adequacy resource types. This is a change from today where the Local Regulatory Authority is allowed to set the resource adequacy value for each resource. There was some pushback from certain stakeholders at the working group on whether the ISO should be the agency to develop these rules. The ISO is mandated to maintain reliability by FERC. It would be vastly inappropriate in a multi-state ISO for one state’s PUC to set counting rules for other states’ resource adequacy resources. That said, the ISO should work with the CPUC and any joining load serving entities’ PUCs to ensure that programs are as coordinated as possible.

The ISO should review the local backstop tariff sections, 43a.2.1.2 and 43a.2.2, in order to clarify the process in a regional context and take the opportunity to clarify and strongly affirm the backstop rules.

WPTF appreciates the ISO’s willingness to look into this topic. Transparency and clarity are vital to maintain competitiveness in the bilateral RA market. The threat of backstop puts pressure on both LRAs and LSEs to fully procure up to the CAISO-determined requirement. WPTF specifically asks that the ISO:

- Clarify the current rules under tariff sections 43a.2.1 and 43a.2.2 and describe the policy intent for how the process works today.
- Describe how these processes would be adjusted in a regional setting- for example how to Local Capacity Areas be determined going forward.
- Evaluate whether these sections need to be changed in a regional process.
 - Is it feasible for the ISO to study the effectiveness of all RA resources on a deficient local area each month given the larger footprint?
 - Is it feasible to allow each LRA to provide supplemental capacity when the ISO’s relationship is with the LSE?
- Evaluate whether there is an opportunity to revise these rules given current reliability needs.
 - Is it reasonable to count RA resources outside the local area toward an LSE’s requirement or is there a potential for this to degrade reliability?

- Are these resources as reliable?

WPTF would appreciate an example on the interplay between LSE deficiencies, the ISO's PRM, and LRA's PRM.

It was unclear during the working group how CPM cost allocation would work if an LSE was deficient against the ISO's PRM, but not the LRA's PRM. Specifically, how will costs be allocated for multiple LSEs if each had a different LRA whose PRMs are different than that of the ISO's PRM.