

July 15, 2015

WPTF appreciates the opportunity to provide these comments on the ISO's Reliability Services Initiative and Flexible Resource Adequacy Must Offer Requirement Phase 2 (RSI2) and (FRAC MOO2) scope of issues as described in the ISO's June 25, 2015 issue paper. WPTF offers limited initial comments on the paper's substantive topics below. The overall schedule seems reasonable thus far.

#### FRAC MOO Phase 2

#### **4.1 The need for upward ramping speed**

The ISO's information regarding the concentration of the severity of ramps within hours rather than across hours seems clear. WPTF looks forward to participating in the working group and stakeholder processes to establish the design for product(s) that will address these ramping patterns. Two issues that will be integral to these discussions will be:

- The level of product differentiation that is needed to meet the ramping needs, and the resulting complexity of the product design.
- How the design of the incentives for the ramping products procured through the energy market will interplay with Flexible RA.

#### **4.2 The need for downward flexible capacity**

The ISO has expressed a potential need for downward flexible ramping capability to manage the ability to have an upward ramp and given minimum energy. The ISO has expressed the possibility of incorporating downward ramping as part of the flexi RA requirements. WPTF agrees that both upward and downward ramping are important considerations with the growing level of intermittent resources. However, WPTF notes that using faster ramping resources to satisfy the upward ramping needs might alleviate some of the "Pmin burden" that the ISO aims to satisfy with downward ramping, and therefore urges the CAISO to make sure that this option is fully evaluated. WPTF also raises the question of whether the ISO intends that new resources will be built for downward ramping, or whether the ISO expects downward ramping will be satisfied with existing resources and/or load response resources.

#### **4.3 Review of the existing flexible capacity product**

The ISO's review of the Effective Flexible Capacity determination given non-linear ramp rate realities seems closely tied to the previously addressed issue (4.1) of the one hour ramp. Unless there are other aspects of this review, WPTF suggests thinking of this issue in conjunction with the "Need for upward Ramping Speed" issue.

#### **4.4 Study enhancements**

WPTF supports removal of anomalous conditions from the study, although we note that it is critical that the ISO develop a mechanism to ensure transparency when adjustments are made to the study calculations from year to year. WPTF also supports consideration of negative allocations by LSEs in the Flexi RA requirements study who have a negative contribution to the CAISO's ramping needs. **4.5**

#### **Inclusion of inertia resources**

WPTF strongly supports consideration of inertia resources in meeting the ISO's flexibility needs. WPTF also seeks to balance the provision of flexi RA over the ties with comparability between inertia and internal resource provision.

#### **4.6 Treatment of NGR storage for Flexi RA**

Given the likely deployment of significant amounts of storage, and the ISO's stated need for increased downward flexibility, it seems advantageous for the ISO to address the issues associated with how to model a resources' transitions from charging to discharging modes with respect to provision of flexible RA.

#### **4.7 Merchant VERs**

WPTF does not have a strong position on the issue of allocation of Flexible RA requirements to merchant VERs at this time. WPTF requests that the ISO provide information about its understanding of the relative quantity of merchant vs. contracted or LSE-owned VER capacity to allow us to better assess the effort warranted to ensure merchant VERs are included in the cost-allocation models.

### RSI Phase 2 Issues

#### **5.1 Substitution and replacement of Flexi RA**

WPTF supports consideration of the various outage initiatives the ISO has identified. WPTF strongly supports resolving the local resource replacement issue described in 5.1.3.

#### **5.2 Clarification of ISO/LRA interfaces**

The ISO proposes to provide clarity on interface aspects of the ISO/LRA RA interactions. WPTF supports further transparency. WPTF also requests the ISO consider comparable treatment of LSEs across LRAs when it comes to aspects such as assigning RA credits for demand response programs.

#### **5.3 Processes for EFC updates**

WPTF supports defining clearly defined processes for EFC updates that are more fluid than once per year.