

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:

CPUC Staff agree that general ramping needs and uncertainty are both contributors to flexible capacity needs. However, additional analysis is needed to define the need. The ISO has committed to introducing 15 minute granularity into the day ahead market which should substantially reduce the real-time uncertainty. At the February 7 meeting, ISO committed to revising its uncertainty analysis with the addition of a 15 minute IFM. Without this further analysis, the need for a real-time ramping requirement will remain unclear.

Additionally, during the February 7 meeting, the ISO agreed with CPUC Staff comments that a requirement that summed upward and downward uncertainty was overstating the need and ISO Staff committed to revising the need analysis using the maximum of either the upward or downward uncertainty rather than their sum. Staff looks forward to reviewing those results.

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:

As mentioned above, additional analysis (e.g., revising the uncertainty analysis with the addition of a 15 minute IFM) and corrections of the existing analysis (e.g., using the maximum upward or downward uncertainty rather than their sum) is needed before it is possible to determine whether there is a need for 15-minute or 5-minute products. Planned market enhancements such as a 15-minute IFM and a day-ahead Flexiramp product are likely to greatly reduce the need for real-time flexible RA products. Energy Division Staff continue to encourage the ISO to quickly move ahead to implement these market changes. If sufficient resources are set aside through the FlexiRamp products, it is unclear what the additional benefit of multiple flexible capacity products would be.

Since adding two additional flexible capacity products would add significant complexity to the flexible capacity requirement, this should not be done unless there is a clear benefit to doing so. Staff recommends that the ISO provide stakeholders with an analysis of whether an additional need for flexible capacity would be expected once the proposed market changes have been made. This would inform stakeholders on the need for additional flexible capacity products.

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:

As previously mentioned, additional data on the expected levels of uncertainty after introduction of day-ahead market enhancements is needed before it is possible to determine whether there is an additional need for real-time flexible capacity products.

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:

CPUC Staff have no comments on eligibility criteria and must offer obligations at this time.

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:

The Commission has twice declined to adopt the ISO's flexible capacity allocation methods choosing instead to allocate flexible capacity requirements based only on load ratio share. Unless and until the Commission adopts changes to this methodology, the CPUC staff will continue to need to allocate differently from the ISO.

Other

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

Comments:

CPUC Staff have no additional comments.