



Stakeholder Comments Template

RA Enhancements

This template has been created for submission of stakeholder comments on the RA Enhancements Issue Paper that was published on October 22, 2018. The Issue Paper, Stakeholder Meeting presentation, and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submitted by	Organization	Date Submitted
Jennifer Chamberlin (Jennifer.Chamberlin@cpowerenergymanagement.com) 925-433-2165	<i>Joint Demand Response Parties</i>	11/14/2018
Mona Tierney-Lloyd (mona.tierney-lloyd@enel.com)		
Erika Diamond (diamond@energyhub.net)		

Submissions are requested by close of business on **November 14, 2018**.

Please provide your organization's comments on the Issue Paper scope items listed below and any additional comments using this template.

Scoping Items

The ISO's has identified the following items for the initial scope of this stakeholder process. Please provide comments on each of the scoping items.

1. RA Counting and Eligibility Rules

a. System RA

The ISO proposes to review the RA counting and eligibility provisions related to RA resource NQC adjustments in this initiative, including a review of the application of Effective Forced Outage Rate (EFOR) performance criteria and accompanying NQC reductions and a review and clarification of RA counting rules for RA resources. Please provide comments on this scope.

Comments:

Clarification of RA Counting and NQC adjustments seem appropriate to include in scope. The JDRP will have more extensive comments at the proposals are fleshed out in the stakeholder process.

b. Flexible RA

The ISO proposes to continue exploring enhanced flexible RA counting rules started in the FRACMOO2 stakeholder process. More specifically, the ISO will continue assessing the operational capabilities required from the fleet to align with both the Day-Ahead Market Enhancements (DAME) and the Extended Day Ahead Market (EDAM) and what flexible RA counting rule changes may be needed. Please provide comments on this scope.

Comments:

The Joint DR Parties believe the initial steps contemplated in FRACMOO 2 should continue to be developed in this process. In the scope of this issue CAISO should ensure that as flexible counting rules are created that it is top of mind that over the next decades the fleet will continue to shift and that rules should be developed to maximize the ability of DER and low/zero carbon resources to reliably play a role in providing flexibility services – both as RA capacity and via energy/ancillary services markets – to the grid. The Day Ahead load shift product contemplated in FRACMOO2 could be useful in the regard. When CAISO considers how to use the EDAM to allow EIM participants to play a role in these markets it should look at permitting DR and DER resources to utilize the import market bidding rules established in ESDER 2 to permit block bidding participation on the RT markets as a method of ensuring inclusion of these resources.

2. Review of Resource Adequacy Import Capability Provisions

The ISO proposes to conduct a comprehensive review of the ISO's Import Capability provisions, including; calculation methodologies, allocation process, and reassignment/trading provisions. The ISO believes that is may also be necessary to consider multi-year assessments and allocations. Please provide comments on this scope.

Comments:

This is an appropriate addition to the scope of the Initiative.

3. Rules for RA imports

The ISO proposes to include a review of RA import rules and provisions in the scope of this initiative, including a reassessment of the requirements and rules for the sources behind RA imports. Please provide comments on this scope.

Comments:

This is an appropriate addition to the scope of the Initiative.

4. Must Offer Obligations, Substitution Rules, and RAAIM

The ISO proposes to include a review of the following set of issues as a part of this stakeholder initiative; need for substitution rules and RAAIM, developing an emergency or event based RAAIM trigger, and must offer obligations for RA imports. Please provide comments on this scope.

Comments:

This is an appropriate part of the scope of this initiative – JDRP expects to have significant additional comments when CAISO puts forward its straw proposal as these issues are of keen interest and impact on DR and other DER resources.

5. System and Flexible Capacity Assessments and Adequacy Tests

As part of this stakeholder initiative, the ISO is considering a new tool to assess the adequacy of the system and flexible RA fleet. Please provide comments on this scope.

Comments:

The JDRP support the utilization of a new tool to assess fleet attributes – we would go a step further and say that as the CAISO considers the utilization of a new tool – that a further market design that is built on optimizing the preferred resources on the grid be implemented. We are concerned that while the intent of this Initiative is to enhance the RA program to provide for the shift in the RA fleet -that we continue to try to force these newer resources to perform as gas generation does – or face penalty – instead of looking at how to harness and use each resource as a building block that could be tetrised together to achieve the needed grid reliability.

6. Meeting Local RA Needs

a. Local capacity assessments with availability limited resources

As part of this stakeholder initiative the ISO proposes to enhance the ISO's local capacity technical analysis to assess the impact of availability limited resources on local capacity needs. Please provide comments on this proposed scope.

Comments:

It is appropriate to conduct this examination, however when studying this issue the CAISO should also take into consideration the need for resources of the varying durations and not simply plan to discount those of shorter duration. Are local area needs supported with resources of varying durations should be a part of the examination process before any determinations are made.

b. Meeting local capacity needs with slow demand response

Through this initiative, the ISO proposes to explore how to best operationalize slow DR through pre-contingency dispatch so these resources can mitigate local

reliability concerns and qualify for local RA. Please provide comments on this scope.

Comments:

The JDRP look forward to addressing this long open issue. There has been some speculation that this issue, which has been raised and challenged in the Business Practice Manual Change Management process should reside there for ultimate implementation. The JDRP strongly feel this issue needs to be vetted broadly as a part of this stakeholder initiative and not be folded back into a BPM process.

7. CPM/RMR Review

Through this initiative, the ISO is planning to identify any needed changes to the capacity procurement mechanism (CPM) or reliability must run (RMR) mechanisms, particularly focusing on the existing cost allocation tools. Additionally, the ISO will specify the process for backstop procurement of essential reliability resources (ERRs) if they are not procured through the RA process. Please provide comments on this scope.

Comments:

This is an appropriate addition to the scope of the Initiative.

Scope of Policy Examination

The ISO's has identified the initial scope for this stakeholder process as the items listed above. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

Comments:

The CAISO should additionally add into the scope of this initiative enhancements to the year ahead RA demonstration process. The current process works very well for existing and developing generation resources – but poses significant timing challenges for PDR/RDRR and DER resources. These aggregations of resources are more fluid as to the individual participants in an aggregation across a SLAP – this will always be an issue, but is aggravated today prior to the EDSER 3 removal of the single LSE per aggregation requirement being implemented.

In the current process - prior to the provision of each month supply plan, each aggregation must set its Resource IDs master file parameters – including the aggregation PMax. This must occur approximately 75 days before the delivery month. Final values in the supply plans must be firmed up and included in RA demonstrations no more than 60 days before the delivery month. CAISO should examine 1) how to remove Masterfile limitations on PDR/RDRR/DER resources in advance of the RA showings and 2) consider how to substitute volumes between the Resource IDs associated with PDR – still keeping the same total RA value in the SLAP or local area – between the showings and delivery month. Currently demonstrated capacity is capped for each PDR/Resource ID at the level put in the Supply Plan, which is also capped at the PMax in the

Masterfile. This timing mismatch is also a significant problem for integrated DER resources – and one that should have a simple solution as a part of this process.

Other

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

Comments:

As noted above the JDRP think it is the time to consider reshaping how the CAISO runs its market and dispatches and optimizes resources. As noted first thing in the Stakeholder meeting on this Initiative - the market is changing from one that is primarily reliant on traditional gas generation to one that will be more heavily reliant on preferred resources and DER. This second class of resources is capable of providing significant grid reliability to support the Resource Adequacy of the grid – but do not cleanly slot into current market constructs. JDRP pointed out one set of issues above relating to supply plan timing – this is one of many ways CAISO is pushing DER/DR resources to look like a generator through resource and market set ups designed for generation – not more distributed/aggregated resources. A grounds up look at how markets can support these resources rather than a series of bolted on fixes – that have begun with the proliferation of renewables and now expanded to other resources is perhaps a “fix” but not a solution.

Additionally, as an overarching comment, this effort should be carefully coordinated with the CPUC and any changes in current counting conventions would need to be introduced into an RA proceeding, and adopted by the Commission, before they are implemented. It is very important that rules for the RA program align between the CPUC and CAISO to the fullest extent possible.