

Stakeholder Process:
Resource Adequacy Enhancements Phase One Proposal

Summary of Submitted Comments

Stakeholders submitted eleven rounds of written comments to the ISO on the following dates:

- Round One: Issue Paper comments received 11/15/18
- Round Two: Straw Proposal comments received 2/6/19
- Round Three: Working Group comments received 4/23/19
- Round Four: Revised Straw Proposal comments received 7/25/19
- Round Five: Second Revised Straw Proposal comments received 10/25/19
- Round Six: Third Revised Straw Proposal comments received 1/28/20
- Round Seven: Fourth Revised Straw Proposal comments received 4/15/20
- Round Eight: Fifth Revised Straw Proposal comments received 8/11/20
- Round Nine: Working Group comments received 10/1/20
- Round Ten: Draft Final Proposal comments received 1/21/21
- Round Eleven: Final Proposal comments received 3/9/21

Stakeholder comments are posted at:

<https://stakeholdercenter.caiso.com/StakeholderInitiatives/Resource-adequacy-enhancements>



Stakeholder	Minimum State of Charge (MSOC) Requirement	Planned Outage Process Enhancements	Capacity Procurement Mechanism Authority For Local Energy Sufficiency	Other
ACP-California	Appreciates the ISO incorporating stakeholder feedback. Requests the ISO specify under what conditions operators would be able to impose MSOC in real-time	No Comment	No Comment	Not Applicable
Bonneville Power Administration	No Comment	No Comment	No Comment	Supports the ISO's proposal on Import RA. The ISO should move forward with the Import RA proposal in Phase 1 rather than Phase 2.
Calpine	No Comment	Does not oppose	Supports	Not Applicable
California Energy Storage Alliance (CESA)	Supports with caveats - Appreciates the ISO incorporating stakeholder feedback. Supports triggering MSOC only on critical days and sun setting the proposal after two years. Supports LS Power's proposal to apply MSOC to only a portion of energy storage pro-rata based on the magnitude of the expected RUC shortfall. Suggests the ISO consider how to automate cancellation	No Comment	No Comment	Not Applicable



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	of MSOC constraints in real-time if conditions allow.			
California ISO - DMM	Does not oppose	DMM will defer to ISO and CPUC staff and support proposal but not certain benefits outweigh the risks and costs	Supports – suggests the ISO continue to work on new cost allocation rules for CPMs to address energy deficiencies	Not Applicable
California Public Utilities Commission – Public Advocates Office	No Comment	Oppose with caveats – prefers proposal be a pilot program for only summer 2021. Suggests applying full planned outage substitution year-round would increase ratepayer costs without clear reliability improvement	No Comment	Not Applicable
EDF - Renewables	Appreciates the ISO incorporating stakeholder feedback. Requests explicit expiration date be defined and reporting of the use of the tool be transparent. Expresses concern that operators will have the ability to initiate the MSOC tool in real-time	Opposes – believes proposal will make it extremely difficult to take a planned outage and will increase the number of forced outages. Suggests implicit seasonal margins should allow the ISO to accommodate planned outages without substitution	No Comment	Not Applicable
Large-Scale Solar Association and Solar	Does not believe proposal is sufficiently developed to be included in phase 1. Suggests that it is not clear	Opposes – states it is not clear the benefits outweigh the costs of the proposal. Proposes the ISO exempt	No Comment	Not Applicable

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Energy Industry Association	the benefits outweigh the costs of the proposal. Suggests the ISO specify under what conditions operators would be able to impose the MSOC in real-time	planned outages of very small MWs and clarify how substitute capacity will be determined for VERs		
LS Power	Supports with caveats – Encourages ISO to continue to seek market based solution. Proposes the ISO should set MSOC to the minimum amount of storage charge needed when there is a RUC infeasibility	Generally supports	No Comment	Not Applicable
Middle River Power	Supports	Opposes – States proposal will make it increasingly difficult to take a planned outage and that it is unnecessary and expensive to require substitution in shoulder months.	Supports	Not Applicable
Pacific Gas and Electric (PG&E)	Suggests proposal lacks clear definition that causes concern, including consistency of SC and ISO telemetry, potential unforeseen effects of imposing MSOC, and when and how the ISO will notify	PG&E believes there are many implementation questions not fully addressed	Does not oppose general principle but evaluation methodology should account for energy production from solar during all hours. Not clear to PG&E if existing cost allocation	Not Applicable

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	SCs of MSOC requirement. Requests modification of sunset period to one year.		methodology is adequate for energy sufficiency	
Powerex	No Comment	No Comment	No Comment	Supports the ISO's proposal on Import RA. The ISO should move forward with the Import RA proposal in Phase 1 rather than Phase 2.
Public Generating Pool (PGP)	No Comment	No Comment	No Comment	Supports the ISO's proposal on Import RA. The ISO should move forward with the Import RA proposal in Phase 1 rather than Phase 2.
San Diego Gas and Electric	Supports sunset date and ISO's commitment to start a new stakeholder initiative to improve optimization of storage resources. Supports transparency as to when the MSOC is activated.	Opposes and concerned proposal will incent SCs to hold back non-RA capacity in case a resource in their portfolio requires substitution	Requests ISO ensure market participants understand the amount of energy deficiency and how much energy from non-RA capacity is available to meet the deficiency	Not Applicable
Six Cities	Do not oppose	Oppose, even as an interim measure. Suggests full substitution for all planned outages may not be achievable and may lead to decreased reliability if planned maintenance is delayed.	Support	Not Applicable



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Southern California Edison (SCE)	Believes the MSOC proposal should only serve as a short-term measure and that the ISO should immediately initiate to develop a long-term solution that will address the issues more comprehensively.	Understands the rationale and motivation of the proposal for summer reliability as a near-term solution, while a long-term solution is being developed under Phase 2 of this initiative. Asks that details of the longer-term solution should be provided as soon as practical.	Generally supportive. Suggests the ISO's proposal may be a complementary tool to the SCE-CalCCA proposal in the CPUC's RA proceeding. Asks the ISO to clarify if this need is pertinent to all local areas or just a smaller subset.	Not Applicable
Vistra Corp.	Requests the CAISO remove the minimum state of charge requirement proposal and instead use its exceptional dispatch authority on tight days. Suggests proposal may violate FERC Order 841.	Concerned there are some instances when SCs will not be able to comply with substitution requirement and requests the ISO only apply the requirement in specific months when the ISO expects to be low on RA capacity.	Requests the ISO bring this item to the board only after the CPUC has issued its decision in the RA proceeding to have clarity on whether or not the CPUC will adopt energy requirements.	Disappointed the ISO's RA import proposal has moved from track 1 to track 2
Wellhead	Supports two year sunset period	Supports for summer months but concerned there will not be adequate resources to require substitution in all months	No Comment	Not Applicable
CAISO Response	Management appreciates the collaborative effort with stakeholders to develop and evolve the proposal. Management believes the proposal strikes a reasonable balance between ensuring adequate charge from storage resources to meet net load peaks under tight	Management understands stakeholders' concerns regarding the proposal to require substitute capacity for planned outages. Management's proposal rests on the foundation that resources that sell RA capacity and want to be a RA resource in that month have	Management appreciates stakeholders' recognition of the growing need to evaluate and backstop to, to ensure that both capacity and energy needs are met, especially in local areas.	Management shares the sense of urgency on the RA import policy, especially given tightening supply conditions across the west. Management has delayed its RA import policy to enable

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	<p>system conditions and providing storage resources flexibility to participate in the real-time market. Management understands stakeholders are concerned that while the tool will only be used in limited circumstances, it may prevent full participation in the real-time market. As such, Management has modified the proposal to only impose the MSOC requirement when there is a RUC infeasibility, commits to sun setting the MSOC tool after 2 years, and will initiate a new stakeholder initiative to replace it with a market-based approach.</p>	<p>agreed to provide that RA capacity to the ISO all month. Numerous stakeholders expressed concerns there may not be sufficient capacity available to require substitution. However, ISO data shows that there is approximately 3,000 MW on planned outage on any given day during non-summer months. The difference between summer and non-summer RA requirements is between 10,000 MW and 15,000 MW. In short, there should be adequate capacity available to ensure the ISO is able to maintain its Planning Reserve Margin during all months. Further, limiting the substitution obligation to summer months only ignores the fact that there is already limited substitute capacity already during those months. Management’s proposal simply ensures that the few planned outages that do occur in the summer months provide substitution. Management also understands that this proposal</p>	<p>At this time, Management is not planning to update the cost allocation methodology for local collective deficiencies, but may do so in another initiative in the future. Management will continue to work with stakeholders to make sure they understand the energy requirements for local areas to minimize backstop risks. Management looks forward to continuing to work with stakeholders to continue to evolve and improve the local technical studies to reflect the evolving grid needs and portfolio of resources.</p>	<p>further time to gain alignment with the CPUC and other local regulatory authorities.</p>

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		<p>may result in an incremental increase in load serving entities “holding back” capacity from the bilateral capacity market. While the ultimate goal is to remove this incentive, on balance, the ISO believes that ensuring adequate RA capacity is always available outweighs any potential incremental withholding beyond that which already exists.</p>		