



November 13, 2019

CAISO Board of Governors:

David Olsen
Ashutosh Bhagwat
Severin Borenstein
Angelina Galiteva
Mary Leslie

Dear CAISO Board of Governors,

The Western Power Trading Forum (WPTF) is a California nonprofit, public benefit corporation. It is a broad-based membership organization dedicated to enhancing competition in Western electric markets while maintaining the current high level of system reliability. WPTF supports uniform rules, open access transmission, and transparency to facilitate transactions among market participants. The membership of WPTF include load serving entities, energy service providers, scheduling coordinators, generators, power marketers, financial institutions, and public utilities that are active participants in the California market, other regions in the West, and across the country.

WPTF supports the intent of this initiative and believes that updating the deliverability study methodology is an important step forward for renewable integration. That said, we ask the Board to amend the motion to remove approval of the Off-Peak Deliverability Status (OPDS) service option, which we believe should be brought back to the Board at a later date. We believe this aspect of the proposal, while well-intended, is discriminatory and against open-access market principles.

The OPDS proposal will directly connect a resource's deliverability status to their bidding rules. Non-wind and solar Energy-Only resources, and wind and solar resources that do not wish to fund off-peak upgrades will not be allowed to self-schedule in the energy market. WPTF believes this is discriminatory, unjust, and unreasonable. We believe self-scheduling or the ability to be a price-taker is fundamental bidding feature and importantly that all resources should have access to the same bidding rules. We note that because non-OPDS resources are prohibited from self-scheduling, if the CAISO is experiencing *system* over-supply, the OPDS resource will maintain "deliverability priority" even though the reason for curtailment has nothing to do with local transmission upgrades.

Additionally, WPTF strongly objects to the proposal's most likely outcome, which is to increase self-scheduling by wind and solar resources with OPDS status. The premise of OPDS is that wind and solar will pay for local upgrades and therefore they will have "deliverability priority." The only way they get this priority is to self-schedule. As many renewable developers pointed



out in the initiative, it is likely that in order to get funding to make the upgrades, they will have to guarantee they are accessing this priority, and thus a self-scheduling requirement will be included in their contracts. As noted by EDF Renewables in their August 16 comments to the CAISO, "OPDS would be worthless if a resource submits economic bids (e.g., at \$0 to avoid negative market-clearing prices), and potentially undermine CAISO efforts to increase [wind and solar] economic bids."

The CAISO has spent the last 8 years convincing the energy community that there will be less curtailment if wind and solar economically offer into the market. This proposal will move wind and solar resources in the wrong direction and for no real gain.

Additionally, the CAISO has not discussed the implication for standalone storage within this initiative. Not only are future non-RA storage projects ineligible for OPDS, but the proposal does not allow any storage facilities to compete as an alternative to local transmission upgrades to reduce curtailment. In fact, a storage facility may intentionally site in an area with excess wind and solar, only to find out going into their Phase II study that the over-supply they counted on to make their project work economically has been eliminated through local transmission upgrades.

We therefore urge the CAISO Board of Governors to approve this proposal **without** the OPDS portion and request CAISO staff come back with a more inclusive proposal that preserves incentives for wind and solar to economically offer into the market.

Sincerely,

Scott Miller
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Appendix

Table 5.6 Revised Draft Final Proposal, page 22

	FCDS & PCDS		EO	
	OPDS	Non-OPDS	OPDS	Non-OPDS
Existing wind/solar generation	Self Scheduling Allowed (Grandfathered)		Self Scheduling Allowed (Grandfathered)	
New wind and solar in the queue prior to the OPDS implementation	Self Scheduling Allowed (OPDS selection assumed)		One-time chance to request OPDS	
			Self Scheduling Allowed	No-Self Scheduling
New wind and solar to the queue after the OPDS implementation	Self Scheduling Allowed	No-Self Scheduling	Self Scheduling Allowed	No-Self Scheduling

Table 5.7 Revised Draft Final Proposal, page 22

	FCDS & PCDS	EO
		OPDS not applicable
Existing non-wind/solar generation	Self Scheduling Allowed	
New non-wind/solar in the queue prior to the OPDS implementation	Self Scheduling Allowed	
New non-wind/solar generation after the OPDS implementation	Self Scheduling Allowed	No-Self Scheduling