

Stakeholder Comments Template

| Submitted by | Company | Date Submitted |
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The Revised Straw Proposal posted on May 1 and the presentation discussed during the May 8 stakeholder web conference may be found on the [FRACMOO](#) webpage.

Please provide your comments on the Revised Straw Proposal topics listed below and any additional comments you wish to provide using this template.

Proposal to modify eligibility criteria

1. Start-up time less than 4.5 hours
2. Minimum run-time less than 4.5 hours

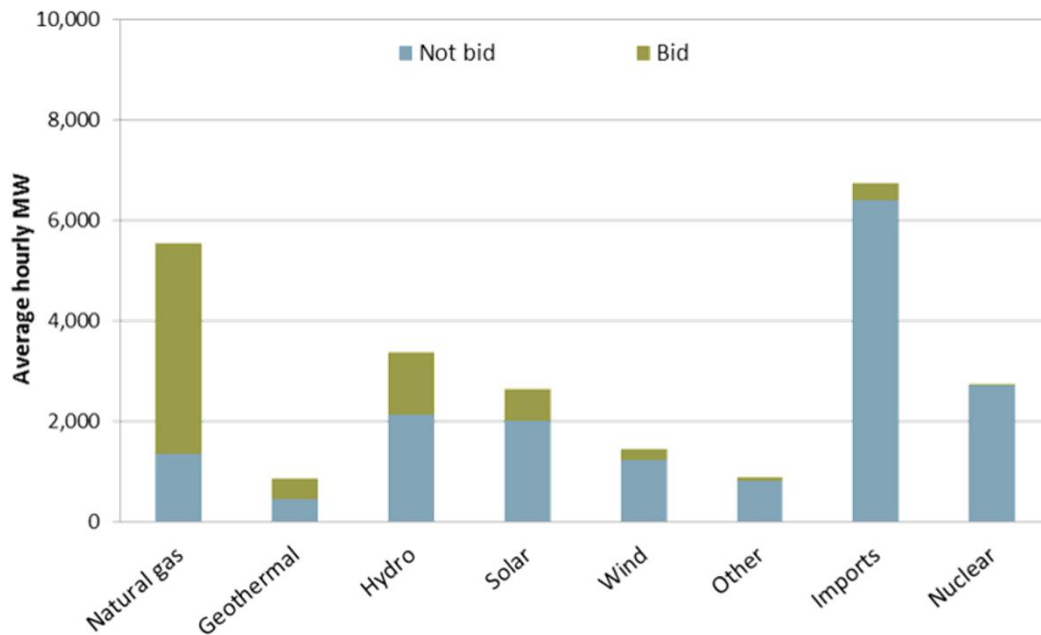
SCE is open to consider changes to the current Flexible Resource Adequacy (RA) rules if those changes sensibly address a substantial problem. However, the CAISO has not shown sufficient evidence that these changes are required to maintain system reliability. Under this proposal, over half the flexible RA fleet will become ineligible to provide Flexible RA. SCE is supportive of only giving flexible RA credit to resources that can provide flexible capacity, but many of the resources that will lose their Flexible RA eligibility are useful in meeting ramping needs. Resources that do not fit the proposal criteria could have a low Pmin, fast ramp rate, or a variety of other attributes that meet flexible needs without contributing to, or minimally contributing to, other concerns (such as over-supply). The current Flexible RA program already ignores multiple sources of flexibility (for example, curtailment of renewable resources and imports) and it would be impractical to further expand this list without significant justification.

SCE asks that the CAISO provide more information on the problem that they are trying to solve. For example, if the CAISO is concerned that resources with start-up times over 4.5 hours would need to be dispatched DA to effectively provide the flexible attribute in the real-time, then this discussion can focus on methods that would enable flex provision without over-burdening the Pmin dispatched on the system. Additionally, it would help to understand what other if any objectives are attempting to be met with this initiative. For example, it has been expressed that providing the proposed narrowly targeted flex definition, it could alleviate the risk of

retirement concerns. SCE would not necessarily support such an objective. SCE believes it is better to look at all options for curing multiple issues and selecting the most cost effective set of solutions that meets the objectives. For these reasons, SCE encourages the CAISO to provide a clearly defined objective for this project such that the best solution can be developed.

Finally, a large portion of the CAISO’s concerns that lead to this proposal is the lack of flexibility in the real-time market. To better address this concern, SCE encourages the CAISO to explore the flexible contributions that imports can have on reliability¹. At a recent IEPR workshop, the CAISO presented information from the 2016 DMM report that shows which resources are not providing bids in the real-time market². The current flex RA program does not account for import flexibility and imports seem to be one of the biggest drivers of inflexibility. For these reasons, imports seem like one the best resource type to look at to improve the flexible RA program.

Opportunity for renewables and imports to provide more real-time flexibility via bids



Source: DMM 2016 Annual Report

¹ While CAISO discusses addressing flexibility of imports in the Revised Straw Proposal, it is done only as a potential long-term enhancements.

² http://docketpublic.energy.ca.gov/PublicDocuments/17-IEPR-07/TN217546_20170511T112640_Renewable_Integration.pptx

3. Category 3 flexible capacity resources must be available seven day per week

Comments:

If the highest ramp need can occur on any day of the week, it is reasonable to consider requiring Category 3 resources to be available 7 days per week.

Future considerations

The ISO identified the following six objectives for long-term RA enhancements:

- 1) Provide for the efficient retention and retirement of resources needed to maintain reliable grid operations by aligning resource adequacy requirements with operational needs;
- 2) Simplify RA procurement and showing processes through alignment with system and local capacity provisions;
- 3) Enhance requirements to more closely differentiate particular resource attributes of flexible capacity needed to maintain operational reliability and achieve state policies;
- 4) Align long-term planning and annual RA processes to ensure the long-term planning objectives and assumptions are properly reflected through RA procurement and vice versa;
- 5) Provide opportunities for internal and external resources to qualify to supply flexible capacity if they are able meet the specified requirements; and
- 6) Solutions should be scalable regardless of number of LSEs or size of LSEs

Please provide comments, as appropriate, on these objectives.

Comments:

SCE appreciates the CAISO beginning to define objectives for long-term RA enhancements. The objectives laid out by the CAISO seem reasonable and should provide a good starting point for future discussions. The most important factor for any changes going forward, whether it be for short-term fixes or longer-term enhancements, is having a factual foundation for all parties to base their recommendations on. To that effect, SCE believes one of the most significant factors for long-term RA enhancements and design is the relation it has to the long-term reliability studies being performed in the IRP, DRP, IEPR, TPP, and potentially other forums. Without this basis of reliability needs, it will be challenging and inefficient for stakeholders to reach conclusion on what RA should be.