

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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About Seattle City Light

Seattle City Light (Seattle) is the tenth largest consumer-owned electric utility in the nation, providing electrical service to more than 415,000 residential, commercial, and industrial customers in the City of Seattle, Washington and six adjacent cities. Seattle owns and operates resources with approximately 2,000 MW of flexible, fast-ramping, hydroelectric capacity. We regularly transact in the wholesale energy and transmission markets. Seattle executed an Implementation Agreement with the California Independent System Operator (CAISO) and intends to begin participating in the Energy Imbalance Market (EIM) in April 2020.

Comments

Seattle appreciates the opportunity to provide comments on CAISO’s January 31, 2018 Flexible Resource Adequacy Criteria and Must Offer Obligation – Phase 2 Revised Flexible Capacity Framework (“Revised Framework”). We appreciate the extensive dialogue and engagement in this stakeholder process to date.

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:

Seattle supports creation of flexible capacity products that match the market run timing (e.g., day-ahead, 15-minute and 5-minute) through a FRACMOO framework that offers mutually beneficial opportunities for external and EIM participating resources to deliver flexible capacity resources to the CAISO.

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:

Seattle supports the inclusion of external resources and EIM participating resources in this FRACMOO framework.

The Revised Framework cited CAISO's concern that the current flexible capacity product was "overly inclusive" allowing too many inflexible resources to successfully bid to supply flexible capacity. It stated that CAISO's flexible capacity products and needs determinations were being enhanced to "align forward procurement with the ISO's actual operational needs and how the ISO commits and dispatches resources through various market runs." Seattle City Light agrees this is a worthy goal.

However, Table 4 (Assessment of Historic Flexible RA Using Proposed Flexible RA Requirements and Accounting Rules) in the Framework document (page 45) suggests that CAISO's existing fleet of internal flexible resource adequacy (RA) resources will be able to provide the lion's share of CAISO's future need for flexible capacity products. This seems to contradict the problem articulated above.

Seattle questions whether the new counting rules adequately assess the true flexibility and responsiveness of resources that may be needed to supply the new flexible RA products. In our experience, quick start resources with a reliable (i.e., 24 x 7) fuel source that can ramp steeply up or down are essential to reliable electric system operation.

Prompt availability of flexible capacity is critical to support a reliable and resilient electrical grid. Eligibility criteria must therefore be sufficiently rigorous to screen out resources that may not be dependable suppliers of flexible RA at the times when these essential products are required. For this reason, Seattle recommends that CAISO technically qualify supplier capabilities before flexible RA energy bids may be submitted. CAISO should require that RA resources demonstrate that they will be able to deliver upon request specific amounts of flexible RA product(s) when and where needed. RA resources that pass these screening tests will be deemed qualified or certified to supply specific flexible RA products (i.e., day-ahead load shaping, 15-minute or 5-minute flexible capacity). Only resources that are so certified should be allowed to submit energy bids to supply flexible RA.

In addition, Seattle recommends that CAISO monitor the performance of flexible RA resources throughout the year. If a resource fails to provide the amount(s) of flexible RA product for which it has been certified for any reason other than *force majeure*, CAISO should reduce the

amount of flexible RA product that such resource may provide and immediately procure an alternative source of flexible RA product to satisfy the shortfall created by such reduction.

Other

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

Comments:

CAISO's description of approaches to calculate effective flexible capacities (EFCs) of variable energy resources (VERs) suggests that these may be data- and labor-intensive processes. To the extent CAISO incurs extraordinary administrative costs to qualify resources to provide flexible RA products, Seattle recommends that these costs be borne by the resources.