

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Robert W. Cromwell, Jr., Director Regional Affairs & Contracts robert.cromwell@seattle.gov (206) 684-3856	Seattle City Light	May 22, 2017

Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Revised Straw Proposal posted on May 1, 2017.

Submit comments to InitiativeComments@CAISO.com

Comments are due May 22, 2017 by 5:00pm

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

Comments: None

2. Minimum run-time less than 4.5 hours

Comments: None

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

Comments: None

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: As the ISO noted on page 13 of the May 1, 2017 revised Straw Proposal, “... clean hydro resources from the Northwest” are readily available to meet the CAISO’s flexible ramping needs, it is the lack of a sufficient price signal in advance that prevents this from occurring. As the operator of its market, the CAISO has it within its institutional capability and legal authority to remedy this problem. It is unclear why the CAISO asserts in the same paragraph that it cannot implement requisite system changes in a timely manner. Removing import barriers to Northwest hydro resources providing clean, flexible ramping capability to assist the CAISO in maintaining its system reliability would seem a logical first step.

A second such step would be to remove export barriers during periods of overgeneration. This would allow surplus solar and wind to find a load outside the CAISO footprint to serve, and would further support the CAISO maintaining reliable system operations. In order for Northwest generators and LSEs to be available to support the CAISO’s reliability needs for flexible capabilities, there may need to be a voluntary day-ahead commitment process to enable these transfers of capability.

City Light supports revising the eligibility criteria to better match the CAISO’s actual reliability needs. While we support the 4.5 hour straw proposal, the CAISO may also wish to consider an additional, shorter time frame that would assure the CAISO of truly fast ramping capability being available.

City Light supports the straw proposal change to the “MOO” to require super-peak flexible capacity to be available seven days a week. We would also note that given current operating conditions, “super-peak” may no longer mean what we think it means.

Should additional objectives be added?

Comments: None

Other

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

Comments: Generally, Seattle City Light is supportive of long-term solutions and enhancements to RA requirements as they relate to flexible resources. We believe that Northwest/California coordination is mutually beneficial to each geographic areas’ operational needs in the short-term and the long-term. In particular, eliminating barriers for LSEs to contract for and import Northwest hydro while also incenting economic bids rather than self-schedules of our fast ramping, fast-start resources should be considered in both short-term and long-term enhancements. Further, as found in the SB350 studies, decreasing or eliminating barriers to intertie transactions (imports and exports) will provide benefits to both regions’ customers.

These RA enhancements and the accompanying initiative to support a long-term solution should be undertaken now rather than later. Although the current proposed “fixes” are a step in the right direction in terms of moving the initiative forward with the current CPUC process, it still does not address the ability of a LSE to contract a flexible resource outside of CAISO that incents the LSE to encourage economic offers and bring an RA import resource to market than can help meet the operational and reliability needs of the ISO. Seattle encourages the ISO to undertake a long term and in-depth initiative that addresses flexibility challenges facing the ISO.