

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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California ISO

Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Revised Draft Framework Proposal posted on January 31, 2018.

Submit comments to InitiativeComments@CAISO.com

Comments are due February 21, 2018 by 5:00pm

The Revised Draft Framework Proposal posted on January 31, 2018 and the presentation discussed during the February 7, 2018 stakeholder web conference may be found on the [FRACMOO](#) webpage.

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

The ISO is in the process of updating the data provided in the Revised Draft Framework Proposal. The ISO will include additional observations for 2016 and 2017. Additionally, the ISO will estimate the impacts of 15-minute IFM scheduling. The ISO will release this updated analysis as soon as possible.

Identification of ramping and uncertainty needs

The ISO has identified two drivers of flexible capacity needs: General Ramping needs and uncertainty. The ISO also demonstrated how these drivers related to operational needs.

¹ AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California's direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members with respect to the issues addressed herein.

Comments:

The CAISO's characterization of "uncertainty" as a "driver" for Flex RA needs is unnecessarily confusing. The CAISO should find a better descriptor. The drivers are errors in day ahead load forecasting and accurate estimates of wind/solar production. While the differences in these values between day ahead and real time are not known precisely, they are not "uncertainties" in the traditional sense.

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:

AReM reiterates its previous comments that the CAISO's proposal is unduly complicated and that the CAISO should first develop and implement appropriate energy and ancillary service market enhancements, before imposing more complex Flexible Capacity RA requirements on load-serving entities (LSEs). Please see AReM's December 13th comments for more details. Moreover, this complexity will significantly increase if a multi-year forward procurement obligation for Flexible Capacity is adopted. Smaller LSEs would likely find it extremely challenging to forward procure the three Flex products several years in advance without a centralized capacity market.

Thus, AReM is pleased that the CAISO has begun a new initiative to consider day-ahead market enhancements, including a new fifteen-minute market and a day-ahead reserve product. Such changes should address many of the operational issues identified by the CAISO – and at lower cost. AReM requests that the CAISO complete and implement its Day-Ahead market enhancements and then re-evaluate its operational issues to determine whether or what changes are needed to the Flexible Capacity RA program at that time.

Quantification of the flexible capacity needs

The ISO has provided data regarding observed levels of uncertainty, in addition to previous discussions of net load ramps.

Comments:

See AReM's comments above regarding use of the term "uncertainty." Otherwise, AReM has no expertise on this topic and thus provides no comments.

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:

AReM has no expertise on this topic and thus provides no comments.

Equitable allocation of flexible capacity needs

The ISO has proposed a methodology for equitable allocation of flexible capacity requirements. The ISO seeks comments on this proposed methodology, as well as any alternative methodologies.

Comments:

Please clarify the CAISO's proposed "equitable allocation" of flexible capacity requirements as discussed on pages 46-48. The description is not understandable. Also, please explain how the CAISO will aggregate the LSE-specific calculations to arrive at the Flexible Capacity Requirements attributable to a Local Regulatory Authority, such as the CPUC.

Other

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

Comments:

AReM has no additional comments.