



Stakeholder Comments Template

Resource Adequacy Enhancements – Straw Proposal Part 1

This template has been created for submission of stakeholder comments on Resource Adequacy Enhancements Straw Proposal Part 1 that was published on December 20, 2018. The Straw Proposal Part 1, Stakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submitted by	Organization	Date Submitted
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Submissions are requested by close of business on February 6, 2019.

Please provide your organization's comments on the following issues and questions.

1. Rules for Import RA

Please provide your organization's feedback on the Rules for Import RA topic. Please explain your rationale and include examples if applicable.

Boston Energy is supportive of the CAISO efforts to review the rules for RA imports. If a MW of RA from an imported resource is treated as providing the same reliability benefits as an internal resource, then the CAISO should ensure comparable treatment for all CAISO compliance and obligations of RA resource.

One area Boston Energy requests the CAISO expand upon in the next draft proposal is a description of the Planned Outage Substitution Obligation (POSO) process for RA Imports. The current straw proposal highlights the differences in Must Offer Rules but is silent on how Imports are treated for POSO. The POSO process for internal resource is rather extensive and Boston Energy wants to better understand the process the CAISO applies to Imports. Are Imports required to submit planned outages? If the Import doesn't identify the specific source of the RA supply how does the CAISO know that resource is not on a planned outage? Will the CAISO cancel a planned outage for an Import RA resource if POSO is not satisfied by the T-8 deadline?

2. RAIM Enhancements & Outage Rules

- a. Please provide your organization's feedback on the Addressing Planned and Forced Outage Issue topic. Please explain your rationale and include examples if applicable.

Boston Energy is supportive in exploring further the CAISO's bookend option 1. However, more details need to be provided before determining whether such a change will actually provide meaningful value to RA resources subject to POSO.

First, Boston Energy does not support the ISO implementation decision to cancel planned outages if any amount of a POSO requirement is not satisfied by the T-8 deadline. The CAISO tariff states that the ISO "may" cancel a planned outage if POSO is not provided. The tariff further goes on to state that if POSO is not provided then the planned outage will be subject to RAIM. CAISO implementation decision to simply cancel planned outage is counter to spirit of the RAIM stakeholder process and the tariff language that was drafted and approved.

Boston Energy request CAISO includes discussion on this issue in the revised straw proposal and (1) work with stakeholders to develop more transparent and reasonable rules to avoid the automatic cancellation of planned outages, and (2) allow generator who feel the planned outage needs to be taken, to take on the RAIM risk, rather than having its outage cancelled.

Second, leveraging the CSP process as an option for RA resource to procure POSO is worth exploring further, but its usefulness will be based on the rules and implementation details. Boston Energy supports a concept where RA resources, requiring POSO, can submit a willingness to purchase a quantity of POSO at a not to exceed price and a seller of RA can submit a willingness to sell price. Such an option will help supplement the existing bilateral contracting process. However, timing of when this CSP process is conducted is critically important, especially if the only alternative is the CAISO cancelling planned outages. It's not as easy to just reschedule planned outages as the CAISO describes in the straw proposal. Rescheduling contractors on short notice is not always possible and can be very costly. If the CAISO's idea is the CSP process is a last resort and will be cleared close to the T-8 deadline we don't believe this it will be a useful option for most Scheduling Coordinators, unless the CAISO changes its implementation policy of cancelling planned outages.

Lastly, Boston Energy strongly opposes bookend option 2. Not allowing a RA resource to sell RA for an entire month because it has a planned outage for as little as a single day is a non-starter.

- b. Please provide your organization's feedback on the RAIM Enhancements topic. Please explain your rationale and include examples if applicable.

The current RAIM framework was developed, implemented, redeveloped, fixed, and re-implemented after many months of delay in June of 2018. Given significant time and effort stakeholders and CAISO staff put into getting RAIM to the finish line in

June of 2018, Boston Energy doesn't see a need at this time to change the mechanism so quickly after implementation.

Further, the CAISO's proposal to introduce performance measurements, event triggers, changing the availability measures, and separate penalty prices per RA type does not reduce the complexity of RAIM. Rather, the proposal significantly increases the complexity of RAIM without providing any evidence that the current RAIM methodology is not working. Also thinking that stakeholders will be able to quickly develop the critical details regarding a performance requirement (trigger types, duration, price, etc) in the timeframe proposed by the ISO is just not realistic.

Lastly, the straw proposal mentions evaluating the need for the current RAIM exemptions but doesn't specifically state which exemptions(s) the CAISO is targeting. Boston Energy does not support the CAISO changing the RAIM exemptions described in section 40.9.2 (b) for variable energy resources and combined heat and power units. The reasons for the exemptions described in CAISO Reliability Services Phase 1 tariff filing have not changed and Boston Energy see no compelling reason for removing these exemptions given how the NQC of these resources are calculated.

- i. Please provide your organization's feedback on the Availability & Performance Assessment Triggers options presented in the proposal.

Boston Energy does not support moving to a performance assessment as note above at this time. If the CAISO does move ahead with a performance assessment, the ISO needs to allow for significant time for stakeholders to clearly understand the triggers, duration expectations, and penalty prices that would be assessed per RA type. Also, any trigger mechanism should be based solely on true scarcity conditions, not system events that may stress the system, or could lead to scarcity conditions. During this discussion a look at causes of true scarcity events should also be conducted to ensure that certain scarcity conditions aren't being driven by deficiencies in CAISO market rules.

3. Local Capacity Assessments with Availability-Limited Resources

Please provide your organization's feedback on the Local Capacity Assessments with Availability-Limited Resources topic. Please explain your rationale and include examples if applicable.

Boston Energy has no comments on this section.

4. Meeting Local Capacity Needs with Slow Demand Response

Please provide your organization's feedback on the Meeting Local Capacity Needs with Slow Demand Response topic. Please explain your rationale and include examples if applicable.

Boston Energy has no comments on this section.

Additional comments

Please offer any other feedback your organization would like to provide on the RA Enhancements Straw Proposal Part 1.