



**Comments of
the Cogeneration Association of California and
the Energy Producers and Users Coalition on
Proposed Flexible Capacity Tariff Language**

The Cogeneration Association of California (CAC) and the Energy Producers and Users Coalition (EPUC) provide the following comments on the draft tariff language for Flexible Capacity and Must Offer Obligation (FRAC MOO) issued by the CAISO on May 20, 2014. CAC and EPUC appreciate the specific provisions crafted to facilitate participation by CHP facilities in the FRAC MOO program, which are largely reflected in the draft tariff language. The following comments seek only to clarify a few points.

1. In Section 40.10.4.2(f), CAC/EPUC suggest changing “minimum” to “lesser” as more clear. In addition, a sentence should be added to that paragraph: *The designation of EFC for a CHP Resource will not interfere with the resource’s right under ISO tariffs and contracts to self-schedule amounts for delivery to the ISO Controlled Grid or with any other right expressly provided in the resource’s Participating Generator Agreement.*

2. In that same subsection, it is unclear how the phrase “or its capability over 3 hours” is meant to be applied. Is the 3 hour capability meant to be comparable to PMax – PMin, or is alternative (ii) broken into two options: either the difference between PMax and PMin or the 3 hour capability? If the latter, then CAC/EPUC suggest making the 3 hour capability a third option to be included in the calculation of the lesser amount, by inserting a “(iii)” before “or its capability”

3. In Section 40.10.4.1, CAC/EPUC are unclear whether the ISO will complete the tasks listed therein using EFC values or the contracted values shown in LSE and Resource RA Plans. For instance, it states that the ISO will use the EFC to establish a must-offer obligation. However, the MOO is based on the actual capacity offered through a resource’s capacity plan, not the hypothetical capacity available as signified by the EFC. Similarly, paragraph (3) states that the ISO will use EFC values to determine if there is a collective deficiency in LSE plans. That assessment should also be based on a comparison of the capacity actually offered by resources in their Resource RA Capacity Plans with the LSE Plans, not on EFC. If our understanding is correct, these paragraphs should be stricken, and moved to the section dealing with the use and verification of capacity plans.

One solution would be to insert an introductory paragraph under the heading for Section 40.10.5, prior to the subsection 40.10.5.1. This introductory paragraph would state:

The CAISO shall use the LSE Flexible RA Capacity Plans and the Resource Flexible RA Capacity Plans to:

(1) *validate the annual and monthly LSE Flexible RA Capacity Plans, as*

- provided in Section 40.10.5.3;*
- (2) *establish the must-offer obligation for the Flexible RA Capacity Resources included in each Flexible Capacity Category, as provided in Section 40.10.6;*
 - (3) *determine whether a there is a collective deficiency in the annual or monthly LSE Flexible RA Capacity Plans, as provided in 43.2.7(a) and (b); and*
 - (4) *allocate the costs of a CPM Flexible Capacity designation to the Scheduling Coordinator of each Load Serving Entity that failed to meet its total monthly Flexible RA Capacity Requirement or its procurement obligation for a Flexible RA Capacity Category, that is also jurisdictional to a Local Regulatory Authority where the Flexible RA Capacity included in all of the jurisdictional LSE Flexible RA Capacity Plans was less than the Local Regulatory Authority's allocable share of the Flexible Capacity Need for that month, as provided in Section 43.8.8(b).*

4. In Section 40.10.4.2.1(a)(1), the reference to 40.10.4.1(a) seems incorrect. Is 40.10.3.2(b) the correct reference?

5. In Section 40.10.4.2.1(a)(2), a facility may wish to modify its EFC even if it is not "incorrect." An EFC may have been correctly calculated under the methodology in 40.10.4.2(f), but the facility may wish to amend it for particular operational or contractual reasons. CAC/EPUC suggest revising the end of the paragraph to state: "..., it must submit documentation no later than September 15 that shows that the proposed revision better reflects the capability of the unit to provide flexible capacity."

6. Section 40.10.6.1(a) states that the resource must submit bids "for the full amount of the resource's Flexible RA Capacity," which is incorrect. It must only submit bids for the amount of flexible capacity which it has sold, and which is represented in its Resource Flexible Capacity RA Plan under 40.10.5.2. The amount of capacity sold may be less than its full flexible capacity. CAC/EPUC suggest linking the must-offer obligation to the capacity shown in the Plan. The first sentence of 40.10.6.1(a) should state:

The Scheduling Coordinator for a resource supplying Flexible RA Capacity that is capable of being economically dispatched for Energy must submit Economic Bids for Energy for the full amount of the capacity shown in the resource's monthly Resource Flexible RA Capacity Plans ~~resource's Flexible RA Capacity~~, and Economic Bids for Ancillary Services for the full amount of the resource's capacity shown in the resource's monthly Resource Flexible RA Capacity Plans ~~Flexible RA Capacity~~ that is certified to provide Ancillary Services, ...

7. Section 40.10.6.1(b) states that resources must be "available," except for limitations under the Master File, or under certain regulatory or legal restrictions. But, a



resource need only be available for the time periods specified by the parameters of the three categories under Section 40.10.3. For example, a Base Ramping Resource need be available only for 17 hours a day. If we understand this reference to availability correctly, CAC/EPUC suggests adding after “available” the phrase *“as required by the specifications of categories in Subsection 40.10.3.”*

Respectfully submitted,

A handwritten signature in dark ink, reading 'Donald Brookhyser', written in a cursive style.

Donald Brookhyser
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