

**Joint Comments of the California Wind Energy Association
And the American Wind Energy Association
For the January 13th Integration of Renewable Resources Program Meeting**

The California Wind Energy Association (CalWEA) and American Wind Energy Association hereby submit joint comments on issues discussed at the January 13th meeting for the ISO's Integration of Renewable Resources Program (IRRP).

Existing Fleet Study: Most of our comments here could have been addressed earlier if the ISO had published, and solicited comments on, a study plan for this analysis.

- **Ancillary Services A/S requirements assumptions:** We again protest the use of the findings of the November 2007 Renewable Resource Integration Report ("RRI Report") in this study. As we said in our earlier comments on the draft version of RRI Report, we believe that the methodology used there over-estimated system needs for Regulation; therefore, use of those findings in this study may indicate A/S deficiencies where none are likely to exist. At a minimum, we again request that the ISO respond to our concerns about the RRI Report finds, which it has not done to date.
- **Inconsistencies with ISO markets & operations under MRTU:** The assumptions and methodology for this study are inconsistent with those used for MRTU markets and operations. Specifically, the penalty prices used to sequence allowed reliability criteria violations in the study optimization should be changed to reflect the order in the MRTU optimization, i.e., meeting Regulation criteria should have a higher priority than meeting Spinning Reserve criteria.

This change could revise the Existing Fleet Study results such that what is currently indicated as Regulation deficiencies would instead be manifested as Spinning Reserve deficiencies. This would likely be less of a concern, since the market for the latter is generally deeper and more competitive than the market for the former.

(The ISO's explanation at the meeting that it considers meeting Spinning Reserve criteria a higher priority is inconsistent with both: (1) the MRTU optimization; and (2) the ISO's practice (through the Rational Buyer algorithm) of procuring additional Regulation in place of Spinning Reserve when overall costs would be lower, which implies that this would be consistent with WECC rules.)

- **A/S provided by imports:** The significance of the zero-import assumption in the study should be clarified. In particular, if this assumption is retained, the ISO should indicate the import MW of each A/S found to be deficient that is typically made up by imports under the conditions where deficiencies are found (e.g., when peak demands are high). This information would help determine whether any study deficiencies should be of great concern.

Proposed 2009 integration studies: CalWEA and AWEA appreciate the ISO's intention to establish a stakeholder working group to provide input and otherwise help guide upcoming studies, and we would like to volunteer to participate in that group. We offer the following comments on some of the studies proposed:

- **Ramping & A/S Evaluation Study:** We support an assessment in these areas and appreciate the ISO's stated willingness to consider other approaches beyond those used in the RRI Report.

- **Fleet Characteristics Analysis:** We strongly support this review of the ability of existing and expected new resources to meet the 33% renewable-energy level, and operational improvements that could help meet those requirements. In addition to the features discussed by the ISO at the meeting, the study should include:
 - Possible energy-storage deployment; and
 - Potential Resource Adequacy Requirement changes to establish requirements for A/S and fast-ramping resources, an idea raised by the ISO in the past.
- **Over-Generation Study:** This study should include:
 - **Consideration of ISO market changes that could allow intermittent resources to help resolve any problems**, e.g., lowering the decremental-energy bid floor below the -\$30 level. As we have commented before, a lower bid floor would allow price-responsive bids low enough to compensate for both foregone contract energy payments and loss of tax credits for the resulting reduced output.
 - **Review of the ISO's current over-generation protocols**, and clarification/modification to address system needs going forward.
- **Intra-hour import scheduling:** We support changes to inter-BAA scheduling practices to facilitate renewable-energy imports. However, the study should be expanded to include intra-hour scheduling of non-renewable but flexible resources that could help ISO manage intermittent resources on its system.