

**California Department of Water Resources Comments on
Flexible Resource Adequacy Criteria and Must Offer Obligation-Phase 2
Working Group Meeting (August 18, 2015)**

September 1, 2015

California Department of Water Resources (CDWR) appreciates the opportunity to submit its comments to the California Independent System Operator (CAISO) on August 18 Working Group discussions on Flexible Resource Adequacy Criteria and Must Offer Obligation- Phase 2. CDWR respectfully submits following comments:

1. Self-scheduling: The need for self-scheduling of certain resources, like Hydro, resulting from the need to meet environmental requirements and other factors like flood control and water delivery obligations, should be addressed in any future change to bidding rules meant to mitigate over-generation. Certain resources that need to self-schedule flat operations to meet environmental requirements and other obligations should be accommodated.
2. Participating load participation in over-generation mitigation: i) Current participating Load mechanism would need design changes to help mitigate over-generation by increasing load participation; future enhancements should include provisions to allow participating load to help mitigate over-generation ;¹ ii) Proposed inflexible capacity allowance should also be considered for participating load that provides generic RA today.
3. Inflexible Capacity allocation: The straw proposal should include a clear description of the inflexible capacity allocation methodology.

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CDWR

¹ CDWR notes that it has previously asked CAISO to implement changes to improve the ability of Participating Load to participate in CAISO's energy and ancillary services markets. See CDWR Stakeholder Comments on Energy Storage and Aggregated Distributed Energy Resources Participation (May 29, 2015) <http://www.caiso.com/Documents/CDWRcomments-EnergyStorageandAggregatedDistributedEnergyResources-ProposedScopeandSchedule.pdf>; see also CDWR comments to FERC on the Amendment to the Participating Load Agreement, Docket No. ER15-1805-000, <http://elibrary.ferc.gov/idmws/common/opennat.asp?fileID=13908292>.