

**CDWR comments on “Commitment Costs Enhancements
Phase 2 Straw proposal discussion” on November 12, 2014**

November 19, 2014

California Department of Water Resources (CDWR) appreciates the opportunity to provide its comments on discussions of the matters related to “Reliability Services” during the November 12, 2014 web-conference. CDWR respectfully submits the following comments:

- 1) Resource specific classification of use limited resources: The CAISO proposes to make some changes to the status of use limited resources while retaining the default classification of resources such as hydro and pumping load as use limited resources (ULR). CDWR supports the CAISO proposal to keep use limited resource status of hydro and pumping load (participating load) unchanged.
- 2) Generated bids: CAISO is seeking input whether the must bid requirement (in lieu of forced outage reporting) under the future availability incentive mechanism (AIM) will be sufficient to incentivize resource adequacy (RA) resources to must offer and whether ISO would not need to generate bids if bids are absent. Must bid requirement may provide incentive; however, the AIM performance band (e.g., $\pm 2\%$ of monthly availability standard) may provide opportunity for RA resources to escape penalties without providing bids. The impact from such events should be analyzed. CDWR supports continuation of exemption to ULRs from generated bids.
- 3) RUC participation: CDWR supports continuation of exemption from RUC participation to ULRs including hydro and pumping load.
- 4) Rules on dispatchability: CDWR believes that there is a need for more clarity on the use of terms “dispatchable” and “non-dispatchable” and their use at various locations in the tariff and Masterfile for consistency; including clarification as to the “direction” of these terms, such as downwards, upwards, or bi-directionally dispatchable.

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