

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Draft Framework Proposal posted on May 1, 2017.

Submit comments to InitiativeComments@CAISO.com

Comments are due December 13, 2017 by 5:00pm

The Draft Framework Proposal posted on November 20, 2017 and the presentation discussed during the November 29, 2017 stakeholder web conference may be found on the [FRACMOO](#) webpage.

Please provide your comments on the Draft Framework Proposal topics listed below and any additional comments you wish to provide using this template.

Identification of ramping and uncertainty needs

The ISO has identified two drivers of flexible capacity needs: General Ramping needs and uncertainty. The ISO also demonstrated how these drivers related to operational needs.

Comments:

Energy Division Staff recognizes that there is a forecasted ramping need that can be addressed in the day-ahead time frame as well as a need for faster ramping resources that can be deployed in real-time to meet uncertainties.

Quantification of the flexible capacity needs

The ISO has provided data regarding observed levels of uncertainty, in addition to previous discussion of net load ramps.

Comments:

Energy Division Staff appreciates the data provided on uncertainty. However, we do not agree that the uncertainty need is additional to the maximum three hour ramp. The greatest need to be met is the maximum three hour ramp of the month. If the ramp could be perfectly forecasted, the need could be met in the day-ahead time frame exclusively. However, due to uncertainties in load and variable generators, a portion of the ramp must be available to be redispatched in the 15 and 5 minute timeframes. Rather than a need for additional resources that are available in the real-time, what is important is that a portion of the flexible resources that can respond in a 15-minute timeframe are not dispatched in the day-ahead and a portion of the flexible resources that can respond in a 5-minute timeframe are not dispatched in the 15-minute timeframe. This allows headroom in the case that the ramp is under forecast, but does not require a sum total of resources greater than the total identified for the three hour ramp.

Eligibility criteria and must offer obligations

The ISO has outlined the need for three different flexible RA products: Day-ahead load shaping, a 15-minute product, and a 5-minute product. Additionally, the ISO has identified a preliminary list of resources characteristics and attributes that could be considered for resource eligibility to provide each product. Additionally, the ISO is considering new counting rules for VERs that are willing to bid into the ISO markets.

Comments:

As discussed in the previous response, it seems that the major need is for a product that will ensure that quick starting and ramping resources will not be overcommitted in the day ahead market. In that case, the market changes that CAISO has proposed, namely a day-ahead FlexiRamp product and a more granular (15 minute) day ahead dispatch may be sufficient. Given that these market fixes appear to be widely supported, Energy Division Staff urges the ISO to quickly move ahead to implement them.

If sufficient resources are set aside through the FlexiRamp products, it is unclear what the additional benefit of multiple flexible capacity products would be. Energy Division Staff would be interested in reviewing and commenting on an analysis of whether an additional need for flexible capacity would be expected once the proposed market changes have been made.

Equitable allocation of flexible capacity needs

Equitable allocation of flexible capacity needs is a critical element of a new flexible RA framework. The ISO seeks comments on potential allocation methodologies.

Comments:

CPUC currently allocates flexible capacity needs on load ratio share. Given that the need for flexible capacity is tied to our State's commitment to clean energy, that the IOUs have been at the forefront of procuring those resources due to State mandates, and that all LSEs have benefitted from that procurement, it seems equitable to allocate costs based on load ratio share. In addition, given the uncertainties around load migration, this method seems the most straightforward and equitable at this time.

Other

Please provide and comments not addressed above, including any comments on process or scope of the FRACMOO2 initiative, here.

Comments:

[insert comments here]