

Discretionary Initiatives High Level Ranking Template

Instructions

Please use this template to rank your top five discretionary market design initiatives.

1. Select five market design initiatives¹ from the October 17th version of the Stakeholder Initiatives Catalog.
2. Provide the name of the initiative.
3. In the “High Level Prioritization Criteria Matrix” provide a score of 0, 3, 7, or 10 for each of the four criteria in green boxes.
4. Provide a total tally of your score for each initiative.
5. Below the matrix, provide detailed explanations for each criterion using as much space as you need. Providing a rationale for the ranking and considering these initiatives over others is critical to this ranking process. Since dollar and resource estimates are understandably approximate at this level, the qualitative discussion will be given more emphasis. Similarly, the numerical rankings are informative and may help to organize discussion but the qualitative information will be critical for the ISO as we compare initiatives.

¹ Infrastructure and planning initiatives will not be ranked as they are considered separately and there are only two discretionary initiatives.

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Initiative 1: _Generator Interconnection Procedures 3 (“GIP-3”)

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	7
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
						Total	34

Note: At this point, GIP-3 is a collection of stakeholder suggestions left over from the effort earlier this year. Since the CAISO has not decided which of these suggestions to pursue, whether/which additional issues will be added, or how those issues would be addressed, it is difficult to determine the impacts of these improvements.

However, LSA believes that the CAISO's interconnection-process reforms have been extremely beneficial to ratepayers and the market as a whole, and that continuing the reform process should be a very high priority over this next year. The scoring above, and qualitative input below, reflects and explains this general perspective.

Grid Reliability (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability*) – The GIP-related reforms have removed significant and unnecessary obstacles to the study and interconnection of generation resources needed for grid reliability and service to load.

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Improving Overall Market Efficiency (*provide a detailed explanation of how and why this initiative provides an improvement in grid reliability overall market efficiency*) – The GIP-related reforms have streamlined the process and reduced the cost to interconnect new resources. This has improved the ability of otherwise-viable resources to interconnect and begin generating, and lowered the cost to ratepayers of reaching state policy goals.

Market Participant Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) – Most of the GIP-related reforms have concerned process improvements that typically reduce the amount of Market Participant financial and other resources required for resource interconnection and initial operation.

ISO Implementation Impact (\$ and resources) (*provide a detailed explanation of what you expect the impact to be in terms of \$ and resources*) – While some GIP-related reforms have increased required CAISO resources, they have also avoided expensive litigation that can or could otherwise occur as a result of unclear tariff language. For example, recent revisions allowing for re-issuance of study reports and potential delays in security posting when there are “significant errors or omissions” could have avoided a FERC complaint that was filed before those reforms were implemented.

Initiative 2: Multi-Year RA Import Allocation

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	3
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
						Total	27

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Grid Reliability *(provide a detailed explanation of how and why this initiative provides an improvement in grid reliability)* – This initiative would broaden the availability of import resources available to the CAISO. These resources include: (1) renewable resources from high-potential areas outside the CAISO grid that would increase the geographic and technical diversity of that part of the resource base and could reduce system variability; and (2) potentially lower-cost flexible resources that could be used to balance the system and integrate variable resources into the grid.

Improving Overall Market Efficiency *(provide a detailed explanation of how and why this initiative provides an improvement in grid reliability overall market efficiency)* – This initiative has the potential to remove a significant barrier to Power Purchase Agreements (PPAs) with resources outside the CAISO, thus lowering the cost of complying with both Resource Adequacy Requirements (RARs) and Renewables Portfolio Standards (RPS).

Market Participant Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources)* – There would be some impact if the new process added steps to the annual import RA allocation/assignment process. However, this could be balanced out by reduced effort enabled by multi-year allocations.

ISO Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources)* – There would be some impact if the new process added steps to the annual import RA allocation/assignment process. However, this could be balanced out by reduced effort enabled by multi-year allocations.

Initiative 3: Data Transparency

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	0
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	10
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	
D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10

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E	ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	7
					Total	27

Grid Reliability (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability) – Without more definition, it is not possible to know whether this initiative would impact grid reliability.

Improving Overall Market Efficiency (provide a detailed explanation of how and why this initiative provides an improvement in grid reliability overall market efficiency) – It would be very beneficial to the market generally if Market Participants – or at least experienced power-flow study consultants – could replicate CAISO and PTO studies. This would allow Market Participants to validate CAISO/PTO studies and offer alternative solutions that could accomplish the same level of grid reliability and/or generation deliverability at a lower cost.

Market Participant Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) – No impact – Market Participants need not use the additional information if they don't want to.

ISO Implementation Impact (\$ and resources) (provide a detailed explanation of what you expect the impact to be in terms of \$ and resources) – Providing additional data could require increased CAISO effort, but it is not possible to know the exact cost/resources without knowing what the additional data would be or how it would be provided.

Initiative 4: Storage Generation Plant Modeling

High Level Prioritization Criteria Matrix

		Criteria	HIGH	MEDIUM	LOW	NONE	Your Score
			10	7	3	0	Use 0, 3, 7, or 10
A	Benefit	Grid Reliability	Significant Improvement	Moderate Improvement	Minimal Improvement	No Improvement	7
B		Improving Overall Market Efficiency	Significant improvement	Moderate improvement	Minimal improvement	No impact	7
C		Desired by Stakeholders	Universally desired by stakeholders	Desired by majority of stakeholders	Desired by a small subset of stakeholders	No apparent desire	

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D	Feasibility	Market Participant Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	10
E		ISO Implementation Impact (\$ and resources)	No Impact	Minimal Impact	Moderate Impact	Significant impact	3
							27

Note: LSA strongly urges the CAISO to include modeling of storage media in solar thermal projects as part of this initiative.

Grid Reliability *(provide a detailed explanation of how and why this initiative provides an improvement in grid reliability)* – This initiative should help the CAISO manage the grid and meet peak demands through addition of cost-effective storage resources and better use of available storage resources.

Improving Overall Market Efficiency *(provide a detailed explanation of how and why this initiative provides an improvement in grid reliability overall market efficiency)* – This should lower the cost of renewables integration and reliability management through proper recognition of the benefits of storage resources and potential market incentives to add cost-effective storage.

Market Participant Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources)* – This initiative could provide net benefits to providers of storage resources and should reduce costs to other Market Participants.

ISO Implementation Impact (\$ and resources) *(provide a detailed explanation of what you expect the impact to be in terms of \$ and resources)* – CAISO impacts would likely include some modeling improvements, but these improvements could be combined with changes needed anyway, e.g., to refine the new GIDAP process.