



## Stakeholder Comments Template

### Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the RA Enhancements stakeholder working group held on April 8 & 9. The stakeholder meeting presentation and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on April 22.

Submitted by	Organization	Date Submitted
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**Please provide your organization's comments on the following issues and questions.**

#### 1. **Unforced capacity concepts: Inclusion of forced outage rates in capacity counting/valuation**

Please provide your organization's feedback on the capacity counting and forced outage rate/unforced capacity topic. Please explain your rationale and include examples if applicable.

If pursued, the UCAP concept still requires significant development. For example, CAISO should consider excluding certain types of forced outages that are generally out of the control of the resource from the assessment. For example, forced outages that are triggered by a transmission induced outage should not result in a reduction of a resource's UCAP. Also, NCPA still believes that CAISO should use its own outage management systems as the source of data used for calculating the proposed UCAP values. CAISO has indicated that the records it maintains in its outage management system may not be sufficient to use for the purposes of UCAP; NCPA would like to understand more about what limitations the CAISO is concerned about, and if there are ways of updating/supplementing the CAISO outage management systems to address these concerns.

Also, FERC has allowed LRAs to establish their own counting criteria since the inception of the RA program, and as further discussed in the answer to question 6 below, CAISO should not prevent an LRA from making a determination that particular import contracts will satisfy its LSEs RA obligations.

## 2. Flexible RA concepts

Please provide your organization's feedback on the Flexible RA topic. Please explain your rationale and include examples if applicable.

NCPA has no comment at this time.

## 3. RA showings and assessments

Please provide your organization's feedback on the RA showings and assessment topic. Please explain your rationale and include examples if applicable.

### a. Portfolio assessment

Please provide your organization's feedback on the portfolio assessment sub-topic. Please explain your rationale and include examples if applicable.

NCPA supports maintaining the current multi-tiered approach reflected in CAISO's existing CPM backstop authority. Currently, CAISO first assesses the overall system, and only if CAISO determines there is a collective deficiency in the amount of capacity shown to the CAISO, does CAISO procure necessary capacity and allocate costs appropriately to individual LSEs or prorate to load (depending on the type of deficiency).

At this time, NCPA does not support the capacity incentive mechanism concept discussed during the workshop. Based on the current state of the RA market, various concerns with market power will need to be addressed prior to further consideration of a capacity incentive mechanism.

CAISO's proposed "portfolio assessment" remains vaguely defined and unconnected to the proposed RA showings. Even if LSEs collectively procure all the UCAP that CAISO determines is needed, CAISO could still determine that the overall portfolio does not meet its requirements, and procure additional backstop capacity. CAISO should establish clear RA objectives that would satisfy CAISO's goals, and then confirm the overall portfolio satisfies those goals. There cannot be a disconnect between the RA showings and the portfolio assessment.

## 4. Planned Outage Substitution

Please provide your organization's feedback on the Planned Outage Substitution topic. Please explain your rationale and include examples if applicable.

If a renewable resource's ELCC shows it to be effective to be substituted for a gas-fired resource, there is no reason to why it should not qualify to do so. Gas resources are becoming scarcer as the fleet evolves to meet state policy goals, and CAISO will have no choice but to accept renewables for flexible RA needs in the near future. There will be scenarios when there is simply no gas fired generation available for substitution, either because it is all already shown or because the owner is reserving it for its own substitution needs. The likely result of such a fuel matching rule will be to decrease showings by discouraging LSEs from showing excess gas-fired capacity. The increased scarcity will also increase costs to load. Instead of favoring particular fuel sources or technologies, the most appropriate solution is to identify characteristics that each category of RA must satisfy, and allow substitution from any resource that can meet the established criteria.

### **5. CPM and Backstop authority**

Please provide your organization's feedback on the CPM and Backstop Authority topic. Please explain your rationale and include examples if applicable.

NCPA continues to support the option, but not the obligation, for a market participant to use the CAISO CSP for backstop / substitution procurement (and that such option should be available on a daily granularity).

### **6. Import RA provisions**

Please provide your organization's feedback on the import RA provisions topic. Please explain your rationale and include examples if applicable.

As CAISO recognizes, many non-resource-specific import agreements are firm and can be more reliable than resource-specific imports. CAISO should not prevent an LRA from making a determination that particular import contract will satisfy its LSEs RA obligations. To the extent CAISO needs visibility into the types of bilateral agreements supporting an RA import, it may be appropriate to require an LSE to make an attestation that import capacity shown as RA capacity is sufficiently firm and supported by transmission reservations.

### **7. Maximum Import Capability and Import Capability Allocation provisions**

Please provide your organization's feedback on the Maximum Import Capability and Import Capability Allocation provisions topic. Please explain your rationale and include examples if applicable.

NCPA believes that the LSEs that pay for the transmission system (through payment of TAC and WAC fees) "must" be given first opportunity to use that capacity.

## 8. Must Offer Obligations concepts

Please provide your organization's feedback on the Must Offer Obligation concepts topic. Please explain your rationale and include examples if applicable.

NCPA believes any MOO will discourage maximum showings but agrees that bid insertion rules revision 1 is preferable to revision 2. NCPA believes that any MOO obligations should be based on the value of credit that is given for compliance purposes. For example, if a resource is only given credit for its UCAP value, the resource should only be subject to a MOO that is equal to such UCAP value. Forcing a resource to be available, and bid into the CAISO market based on a different measurement (e.g., NQC), will only create operational confusion, and will lead to over procurement and excess cost for ratepayers.

Additionally, CAISO should continue to recognize the existing MOO exemption for resources within a load-following metered subsystem (LF-MSS). An LF-MSS is required to balance its supply and load every five minutes. To satisfy that obligation, an LF-MSS must be able to re-dispatch its resources to follow its load. For that reason, RA capacity within an LF-MSS is not subject to the MOO (otherwise, an LF-MSS would not be able to meet its load-following obligations). Since the existing framework for a LF-MSS is consistent with CAISO's goals in this stakeholder initiative, CAISO should not modify the MOO in a way that would detract from—rather than contribute to—the initiative's objectives.

## 9. Local capacity assessments with availability-limited resources

Please provide your organization's feedback on the Local capacity assessments with availability-limited resources topic. Please explain your rationale and include examples if applicable.

NCPA has no comment at this time.

## 10. Slow demand response

Please provide your organization's feedback on the slow demand response topic. Please explain your rationale and include examples if applicable.

NCPA has no comment at this time.

## Additional comments

Please offer any other feedback your organization would like to provide on the April 8-9 RA Enhancements stakeholder working groups.

NCPA has no additional comments at this time.