

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative
“Temporary Suspension of Resource Operations.”

Submit comments to InitiativeComments@CAISO.com

Comments are due June 6, 2017 by 5:00pm

The Issue Paper posted on May 10, 2017 and the presentations discussed during the May 19, 2017 stakeholder conference call can be found on the [TSRO Website](#).

Please use this template to provide your written comments on the issue paper topics listed below and any additional comments that you wish to provide.

1. Scope of Initiative

Please provide any comments on the scope of this initiative.

Comments:

NCPA understands that this initiative, together with FRAC-MOO 2 and the CPM risk of retirement initiatives, is intended to propose discrete and limited changes to address some of the difficulties assuring that resources providing necessary reliability services are adequately compensated for those services. NCPA believes that CAISO stakeholders would be better served by pursuing a comprehensive solution to the problem of insufficient revenues to retain efficient and flexible baseload units. However, in the absence of such a comprehensive examination,

NCPA agrees that changes to the existing framework should be limited in nature. With that framework in mind, NCPA provides its comments on the changes proposed.

As further described in the Issue Paper, CAISO is proposing to limit the scope of this initiative to (i) consider what conditions, if any, the CAISO may allow a Participating Generator to temporarily suspend the operation of its Generating Unit, and (ii) under what conditions could a Generating Unit switch operations for an extended period of time from one balancing authority area to another adjacent balancing authority area. NCPA generally supports the limited nature of the scope proposed by the CAISO.

2. Identified Issues

Please provide any comments on the issues that have been identified thus far in the initiative, including whether there are other issues that you would like to identify.

Comments:

The comments provided below are in response to the Identified Issues as further described in Section 4 of the Issue Paper.

1. NCPA generally supports the concept of a Participating Generator being able to temporarily suspend operations of its Generating Unit for economic reasons pursuant to a defined set of criteria, provided that the Participating Generator has not made any prior commitments to provide capacity to the CAISO (e.g., a Resource Adequacy commitment) and provided that a comprehensive set of appropriate criteria are established for granting such requests. For example, NCPA believes a minimum period will need to be established (e.g., a minimum of six months) during which the Generating Unit cannot return to service after its election to suspend operations for economic reasons. The criteria developed should focus on limiting a Participating Generator's ability to exercise market power that may arise as a result of the resource owner learning that its unit cannot be made unavailable, or that might arise if the unit is unavailable (due to ownership of multiple units).
2. NCPA does not believe a new compensation structure should be developed within the scope of this initiative. If, upon a Participating Generator submitting a request to suspend its operations, the CAISO determines the Generating Resource is needed for reliability purposes; the CAISO should use one of its preexisting tariff mechanisms to acquire the capacity of the resource (e.g., RMR contract or CPM). NCPA expects that temporary suspension requests will be rare, and CAISO denial of such requests will be even rarer still, so expending significant staff time and resources to develop a new compensation structure is not necessary at this time.

3. NCPA agrees that establishing a limit for both the minimum and maximum amount of time a Participating Generator can suspend its operations due to economic circumstances is appropriate.
4. NCPA takes no position at this time on the appropriate operations planning time and approval/denial notification periods associated with requests for temporary suspension. NCPA expects CAISO will make a reasonable proposal based on its assessment of the amount of time CAISO will need to properly study and evaluate this type of request, while minimizing the risk of market power.
5. By enforcing a maximum amount of time a Participating Generator can suspend its operations, NCPA believes the generator will have an incentive to maintain a level of “return-ability” or otherwise risk losing its right to participate in the CAISO markets once the term has passed.
6. NCPA agrees that during the period of time when a Generating Unit has temporarily suspended operations, it should not be eligible to be used as a Resource Adequacy resource in a Resource Adequacy showing, for the defined period of the outage.
7. A Generating Unit that has suspended operations in one balancing authority area, and is now operating in an adjacent balancing authority area should not be able to be counted as a Resource Adequacy resource in the balancing authority area for which it has suspended operations during the time period for which it has suspended operations if the unit is now being claimed as “resource adequacy capacity” in the adjacent balancing authority area; provided, however, if the capacity of the resource is not otherwise committed to the adjacent balancing authority area, the resource should still be able to supply Resource Adequacy capacity to the CAISO balancing authority area as an import or other tariff authorized source (since unlike the alternative case described in the Issue Paper, the resource is still operationally available to the grid).

8. Other Comments

Please provide any additional comments not associated with the topics listed above.

Comments:

No additional comments at this time.