



Stakeholder Comments Template

RA Enhancements

Submitted by	Organization	Date Submitted
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This template has been created for submission of stakeholder comments on the RA Enhancements Issue Paper that was published on October 22, 2018. The Issue Paper, 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.

Submissions are requested by close of business on **November 14, 2018**.

Please provide your organization's comments on the Issue Paper scope items listed below and any additional comments using this template.

Scoping Items

The ISO has identified the following items for the initial scope of this stakeholder process. Please provide comments on each of the scoping items.

1. RA Counting and Eligibility Rules

a. System RA

The ISO proposes to review the RA counting and eligibility provisions related to RA resource NQC adjustments in this initiative, including a review of the application of Effective Forced Outage Rate (EFOR) performance criteria and accompanying NQC reductions and a review and clarification of RA counting rules for RA resources. Please provide comments on this scope.

Comments:

[No comment at this time.](#)

b. Flexible RA

The ISO proposes to continue exploring enhanced flexible RA counting rules started in the FRACMOO2 stakeholder process. More specifically, the ISO will continue assessing the operational capabilities required from the fleet to align with both the Day-Ahead Market Enhancements (DAME) and the Extended Day Ahead Market (EDAM) and what flexible RA counting rule changes may be needed. Please provide comments on this scope.

Comments:

Nextera appreciates the opportunity to comment on the resource adequacy (RA) Enhancements Issue Paper. Nextera has participated in the Flexible Resource Adequacy Criteria Must Offer Obligation (FRACMOO2) stakeholder process, and supports the CAISO's proposal to fold those issues, along with the Day-Ahead Market Enhancements (DAME) and Extended Day-Ahead Market (EDAM), into this broader RA Enhancements process. It is critical that the ISO not further delay improvements to the flexible RA program and act now to implement the many months of work that have gone into these processes.

In the FRACMOO2 process, Nextera supported the ISO's proposal to unbundle flexible RA from system and local RA, and to allow for an Effective Flexible Capacity (EFC) that is no longer dependent on the Net Qualifying Capacity (NQC), the peak-load deliverability studies in the interconnection process, or as a corollary to the foregoing, potentially unnecessary Delivery Network Upgrades (DNUs) identified in those studies. This proposal received broad support throughout the FRACMOO2 process, and is a critical step to better align the flex RA product with the system's operational needs.

Further, Nextera supports the ISO's proposal to hold a stakeholder process to develop a flexible deliverability study that looks at a resource's flexible attributes and its ability to serve the operational needs of the system during times of the greatest flexible need.

Nextera encourages the ISO to include development of the study structure in this initiative. Such a study would not only better reflect the ability of resources to serve the system's flexible needs, it would encourage additional development of such resources without the need for costly DNUs.

Nextera also believes that there is a continued need to review and improve counting rules for flexible RA resources, especially energy storage resources. In the April FRACMOO2 revised framework proposal, the ISO proposed to: (1) count storage resources for the full MW range of their flexible capability (full charge to full discharge) for the flexible Day-Ahead product only; but (2) count only storage resource "instantaneous maximum output" for the Real-Time flexible products. Nextera disagrees with such a limitation under the real-time rules, as storage resources are uniquely qualified to address real-time uncertainties; for example, once a dispatch signal is received, battery storage systems can transition from full charging to full discharging mode within a fraction of a second; and other types of storage systems can do so within a few minutes.

Furthermore, other non-VER resources with transition or start-up times (e.g., multi-stage and/or other gas-fired generation) are not subject to such restrictions, so it is unclear why storage systems capable of much shorter transition times (akin to start-up times) would be treated differently. Nextera believes that the ISO should further review the flexible counting rules for storage resources in this RA Enhancements process, so the full range of charge to discharge of a storage resource is counted based on its ability to ramp for both the Day-Ahead load shaping product and the Real-Time products.

2. Review of Resource Adequacy Import Capability Provisions

The ISO proposes to conduct a comprehensive review of the ISO's Import Capability provisions, including; calculation methodologies, allocation process, and reassignment/trading provisions. The ISO believes that it may also be necessary to consider multi-year assessments and allocations. Please provide comments on this scope.

Comments:

No comment at this time.

3. Rules for RA imports

The ISO proposes to include a review of RA import rules and provisions in the scope of this initiative, including a reassessment of the requirements and rules for the sources behind RA imports. Please provide comments on this scope.

Comments:

No comment at this time.

4. Must Offer Obligations, Substitution Rules, and RAAIM

The ISO proposes to include a review of the following set of issues as a part of this stakeholder initiative; need for substitution rules and RAAIM, developing an emergency or event based RAAIM trigger, and must offer obligations for RA imports. Please provide comments on this scope.

Comments:

No comment at this time.

5. System and Flexible Capacity Assessments and Adequacy Tests

As part of this stakeholder initiative, the ISO is considering a new tool to assess the adequacy of the system and flexible RA fleet. Please provide comments on this scope.

Comments:

No comment at this time.

6. Meeting Local RA Needs

a. Local capacity assessments with availability limited resources

As part of this stakeholder initiative the ISO proposes to enhance the ISO's local capacity technical analysis to assess the impact of availability limited resources on local capacity needs. Please provide comments on this proposed scope.

Comments:

No comment at this time.

b. Meeting local capacity needs with slow demand response

Through this initiative, the ISO proposes to explore how to best operationalize slow DR through pre-contingency dispatch so these resources can mitigate local reliability concerns and qualify for local RA. Please provide comments on this scope.

Comments:

No comment at this time.

7. CPM/RMR Review

Through this initiative, the ISO is planning to identify any needed changes to the capacity procurement mechanism (CPM) or reliability must run (RMR) mechanisms, particularly focusing on the existing cost allocation tools. Additionally, the ISO will specify the process for backstop procurement of essential reliability resources (ERRs) if they are not procured through the RA process. Please provide comments on this scope.

Comments:

No comment at this time.

Scope of Policy Examination

The ISO's has identified the initial scope for this stakeholder process as the items listed above. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

Comments:

Nextera supports the CAISO's proposal to include the DAME and FRACMOO2 stakeholder processes in this proceeding and not further delay work on these important issues.

Additionally, NextEra recommends that the CAISO include one additional topic in the scope of this initiative: "RA Clarifications for Hybrid Resources." Although NextEra appreciates the prior guidance provided by the CAISO in its October 19, 2016 Technical Bulletin, there is a need for greater clarity on some issues related to hybrid resources, in particular resources consisting of variable (wind or solar) resources coupled with storage, an increasingly common configuration that is well-positioned to help California reach its ambitious clean-energy goals while assisting the CAISO in maintaining grid reliability. In particular, clarification is needed on the following issues:

- Metering and Resource ID options and requirements, in particular for DC-coupled storage capacity and the ability of intermittent resources to maintain EIRP status; and
- Interconnection Study assumptions, Qualifying Capacity, and Net Qualifying Capacity, for resources that are hybrid in their Interconnection Requests as well as those where storage is added later.

Other

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

Comments:

No comment at this time.

Conclusion

As outlined above, Nextera believes that it is important for the CAISO to act now to enhance the flexible RA program rather than shelve the large amount of work that has been done to date via the FRACMOO 2 and DAME stakeholder processes. Nextera supports the ISO's proposed scope to include those issues within this RA Enhancements stakeholder process. Finally, Nextera requests that the CAISO also consider scoping in clarifications related to RA rules/counting for hybrid resources.