

# Stakeholder Comments Template

## FRACMOO 2 Stakeholder Working Group

Submitted by	Company	Date Submitted
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### 1. Operational issues discussed during the working group related to flexible capacity needs.

PGP appreciates the operational information provided at the August 2<sup>nd</sup> working group meeting. PGP supports the approach of evaluating operational needs and identifying flexibility products that can best meet those needs.

Of the data provided, PGP finds the intra-hour ramping needs, the CPS1 performance, and the variability from forecast to actual (between day-ahead, 30-minute-ahead and 10-minute ahead) to be important to a comprehensive discussion about flexibility needs. The information clearly demonstrates that the ISO has different types of flexibility needs and that a single approach to meeting flexibility needs will not be sufficient.

In the past, the 3-hour net load ramp approach was an appropriate starting point for the evaluation of the Flexible Resource Adequacy needs. However, the information provided on August 2<sup>nd</sup> demonstrates that the 3-hour net load ramp metric does not adequately capture the flexible capacity needs associated with uncertainty from day-ahead to real-time or within-hour uncertainty and variability. The information provided, specifically the CPS1 performance, demonstrates that the current market design and approach to flexible RA does not ensure timely access to flexible capacity to address these needs.

### 2. Proposed flexible capacity procurement framework presented by The Brattle Group.

PGP supports the approach outlined by the Brattle Group and believes an independent review will be beneficial. PGP has particular interest in the identification of the resource attributes and characteristics needed to provide flexibility and the current operational or market design barriers that are limiting access to those attributes. PGP has some questions about the approach that will be used by The Brattle Group:

Will the evaluation of system capabilities be based on the current RA fleet?

Will the Brattle Group evaluate the potential capability of imports?

PGP is interested in the specific products that the Brattle Group will analyze and recommend for procurement. PGP believes that it is important for the Brattle Group to consider all

options for securing the flexibility needed and the role that imports can play if participation barriers are removed.

**3. Proposed flexibility metrics and any additional metrics that you believe the CAISO should consider.**

PGP believes the following metrics are important:

- The amount of type of flexible capacity needed to address uncertainty\* from day-head to real-time.
- The amount and type of flexible capacity needed to address within-hour uncertainty\*.
- The amount and type of flexible capacity needed to address within-hour variability\*\*.

*\*PGP defines uncertainty as the forecast error around the planned or expected load or resource output.*

*\*\*PGP defines variability as the volatility of the load or resource output relative to the hourly average.*

Although not technically a metric, PGP would be interested in a side-by-side evaluation of the net load curve as currently defined and a net load curve that is based on inflexible capacity as suggested on Slide 28. This may provide the opportunity to explore the financial incentives behind inflexible resource operation that could be contributing to flexibility needs on the system.

**4. Plan to move the flexible capacity initiative forward.**

PGP fully supports of the redirection of the effort and the approach that has been outlined. PGP believes that providing greater clarity and definition to the flexible capacity needs is an essential place to start.

Further, PGP believes there are market design actions that can be implemented quickly that will provide the ISO better access to existing flexibility on system. Specifically, the ISO should pursue options that provide for greater access to imports, which could require a day-ahead commitment and 15-minute dispatch. PGP encourages the ISO to pursue those actions as soon as practical while also evaluating the longer-term changes to the flexible RA.

**5. Any other comments.**

PGP wants to continue to emphasize the need to explore all options that can remove barriers to the participation of imports in assisting the ISO in meeting its flexibility needs. We fully support this effort and a more holistic approach that considers ISO market enhancements referenced on slide 31.