

Stakeholder Comments Template

Resource Adequacy Revised Straw Proposal

This template has been created for submission of stakeholder comments on the *Resource Adequacy Revised Straw Proposal* that was published on July 1, 2019. The proposal, 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 July 24.

Submitted by	Organization	Date Submitted
Laura Trolese (360)513-6465	Public Generating Pool	July 24, 2019

Public Generating Pool (PGP) appreciates the opportunity to comment on the California ISO's Resource Adequacy Enhancements Revised Straw Proposal dated July 1, 2019. PGP represents eleven consumer-owned utilities in Washington and Oregon that own almost 8,000 MW of generation, 97% of which is carbon free with approximately 7,000 MW of which is hydro. Four of the PGP members operate their own balancing authority areas (BAAs), while the remaining members have service territories within the Bonneville Power Administration (BPA) BAA. As a group, PGP members also purchase over 45% of BPA's preference power.

1. System Resource Adequacy

- Please provide your organization's feedback on the *Determining System RA Requirements* as described in *Section 5.1.1*.

No comments.

- Please provide your organization's feedback on the *Forced Outage Rates and RA Capacity Counting* as described in *Section 5.1.2*.

PGP supports CAISO's proposal to develop new RA counting rules that account for the probability of forced outages. CAISO's proposed calculations and approach to

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accounting for forced outages appear reasonable. PGP does not have comments at this time on the specifics of the proposal.

- Please provide your organization's feedback on the *System RA Showings and Sufficiency Testing* as described in *Section 5.1.3*.

No comments.

- Please provide your organization's feedback on the *Must Offer Obligation and Bid Insertion Modifications* as described in *Section 5.1.4*.

No comments.

- Please provide your organization's feedback on the *Planned Outage Process Enhancements* as described in *Section 5.1.5*.

No comments.

- Please provide your organization's feedback on the *RA Import Provisions* as described as described in *Section 5.1.6*.

PGP supports CAISO's proposal to require specification of the Source BA for all RA imports on RA and Supply Plans for monthly showings. PGP also supports CAISO's proposal to adopt and codify provisions similar to the current CPUC RA program rules and regulations for RA imports to provide firm monthly delivery in CAISO's tariff to ensure similar treatment among all LSEs. PGP believes these measures will go a long way in preventing potential speculative supply and double counting.

- Please provide your organization's feedback on the *Maximum Import Capability Provisions* as described in *Section 5.1.7*.

PGP appreciates CAISO's review of the Import Capability Assignment process and responsiveness to stakeholder concerns regarding the stranding of import capability. PGP's interests regarding assignment of import capability are to ensure the assignment process does not create barriers to the competitive supply of import RA and is only limited by the physical capability of the grid.

As such, PGP supports CAISO pursuing a mechanism to ensure that unused import capability is made available to support RA contracts. However, PGP has some concerns regarding CAISO's proposal to develop an auction mechanism to sell and allocate remaining import capability to LSEs. First of all, an auction mechanism creates uncertainty for an LSE's ability to acquire import capability, making procurement of external resources for longer term contracts less attractive. Secondly, the cost to LSEs or external resources of acquiring import capability may create price barriers for the sale of RA contracts from external resources. PGP would like to fully understand the impacts and potential unintended impediments that might be created for external

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resources by this approach, along with potential resolutions to assure that the opportunities for external resources to sell RA contracts are equitable to those of internal resources.

2. Flexible Resource Adequacy

- Please provide your organization's feedback on the *Identifying Flexible Capacity Needs and Requirements* as described in *Section 5.2.1*.

PGP supports alignment of CAISO's flexible RA capacity requirements with the proposed imbalance reserves to address uncertainty needs between the day-ahead and 15-minute markets.

- Please provide your organization's feedback on the *Identifying Flexible RA Requirements* as described in *Section 5.2.2*.

PGP believes CAISO's three proposed flexible capacity requirements appear reasonable.

- Please provide your organization's feedback on the *Setting Flex RA Requirements* as described in *Section 5.2.3*.

PGP does not have an opinion on the establishment of Flexible RA requirements at this time.

- Please provide your organization's feedback on the *Establishing Flexible RA Counting Rules: Effective Flexible Capacity Values and Eligibility* as described in *Section 5.2.4*.

PGP strongly supports CAISO expanding its eligibility requirements for flexible RA requirements to include 15-minute dispatchable import resources. PGP also agrees with CAISO's requirements that import RA resources must demonstrate sufficient MIC and identify the capacity's BAA of origin and the interconnection point with CAISO's system.

Of concern is CAISO's statement that imports will not be eligible to provide the uncertainty flexible RA requirement. PGP questions why external resources are excluded from providing the uncertainty requirement and would like to better understand CAISO's reasoning behind this determination. CAISO states that it will consider establishing the need for uncertainty requirements based on imbalance reserves procurements. And it is PGP's understanding that external resources qualify to provide day-ahead imbalance reserves. As such external resources should also be allowed to provide flexible RA for uncertainty requirements. Otherwise a prohibition on external resources that can provide day-ahead imbalance reserves but are not eligible to be procured on a longer-term basis as flexible RA for the uncertainty requirement is inappropriate and discriminatory.

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- Please provide your organization's feedback on the *Flexible RA Allocations, Showings, and Sufficiency Tests* as described in *Section 5.2.5*.

PGP does not have an opinion on the Flexible RA allocations, showings and sufficiency tests at this time.

- Please provide your organization's feedback on the *Flexible RA Must Offer Obligation Modifications* as described in *Section 5.2.6*.

PGP does not have an opinion on the Flexible RA must offer obligation modifications at this time.

3. Local Resource Adequacy

- Please provide your organization's feedback on the *Local Capacity Assessments with Availability Limited Resources* as described in *Section 5.3.1*.

No comments.

- Please provide your organization's feedback on the *Meeting Local Capacity Needs with Slow Demand Response* as described in *Section 5.3.2*.

No comments.

4. Backstop Capacity Procurement Provisions

- Please provide your organization's feedback on the *Capacity Procurement Mechanism Modifications* as described in *Section 5.4.1*.

No comments.

- Please provide your organization's feedback on the *Reliability Must-Run Modifications* as described in *Section 5.4.2*.

No comments.

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- Please provide your organization’s feedback on the *UCAP Deficiency Tool* as described in *Section 5.4.3*.

No comments.

Additional comments

Please offer any other feedback your organization would like to provide on the Resource Adequacy Revised Straw Proposal.

No comments.

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