

Comments of Powerex Corp. on Reliability Services Initiative

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the Draft Straw Proposal for the Reliability Services initiative that was posted on June 5th, 2014. Upon completion of this template please submit it to RSA@caiso.com. Submissions are requested by close of business on **June 26th, 2014**.

Powerex appreciates the opportunity to comment on the Draft Straw Proposal for the Reliability Services Initiative dated June 5, 2014. At this time, Powerex's comments are limited to flexible capacity that can be provided at the interties under heading 1.b.i below.

1. Please provide feedback on Part 1: Minimum eligibility criteria and must-offer rules.
 - b. Comments on phase 2 consideration items
 - i. Intertie resources

Powerex urges the CAISO to move forward with including 15-minute dispatchable intertie resources as eligible resources for FRACMOO, as soon as possible. Resources that can respond to fifteen minute instructions can effectively provide a solution to ramping needs, which CAISO generally defines over a three hour period. Accordingly, a large portion of the CAISO's ramping needs can be reliably and efficiently met with 15-minute dispatchable intertie system resources. At the same time, Powerex understands and respects that the CAISO requires a portion of its flexible resources to be 5-minute dispatchable. Powerex therefore proposes the following approach to including 15-minute intertie resources in FRACMOO:

- CAISO defines a minimum percentage in each of the three categories (base flexibility, peak flexibility and super-peak flexibility) that must be provided from 5-minute dispatchable resources, with the remainder provided from *either* 5-minute dispatchable resources or 15-minute dispatchable resources;
- Participants providing 15-minute intertie flexible resources in each category would generally be required to meet the same performance and availability requirements as 5-minute intertie flexible resources;
- Powerex looks forward to the CAISO presenting additional details in the next straw proposal on the specifics of flexible resource adequacy for 15-minute dispatchable interties; and

- As previously stated by Powerex, the inclusion 15-minute dispatchable interties in the FRACMOO program will both increase the competitive supply of eligible resources, lowering flexible resource adequacy costs, while increasing the amount of 15-minute flexibility offered on the interties in the operational timeframes.