# Stakeholder Comments Template

# FRACMOO 2 Stakeholder Working Group

This template has been created for submission of stakeholder comments on the FRACMOO 2 Working Group Call that was held on August 2, 2017. The working group presentations and other information related to this initiative may be found at: http://www.ISO.com/informed/Pages/StakeholderProcesses/FlexibleResourceAdequacyCriteria-MustOfferObligations.aspx

| Submitted by | Company | Date Submitted |
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Upon completion of this template, please submit it to initiativecomments@ISO.com. Submissions are requested by close of business on **August 18, 2017.**

Public Power Council (PPC) appreciates the opportunity to comment on the information and process proposal presented at the ISO's FRAC MOO 2 Working Group meeting on August 2, 2017. PPC is a non-profit trade association that represents the common interests of approximately 100 consumer-owned electric utilities in the Pacific Northwest that are preference power customers of the Bonneville Power Administration (BPA). Many of PPC's members are located within the EIM footprint in Puget Sound Energy's balancing authority area (BAA) and PacifiCorp's east and west BAAs. It is axiomatic that capacity purchases by loads in the ISO footprint must meet the short-term operational needs of the system. Forward capacity purchases should be required in amounts that ensure reliability without harming consumers. It is also important that capacity purchases ensure compliance with frequency requirements and do not leave the ISO in the position of persistently leaning on interconnected balancing authority areas.

1. Operational issues discussed during the working group related to flexible capacity needs.

   The data discussed by ISO staff at its working group meeting is very helpful in describing and defining the problem. The variability of solar and wind resources has been well documented in the industry. The data clarifies the impact of the current, high renewables penetration on intra-day and intra-hour operations. Based on the ISO's presentation, the hourly and intra-hour variability and uncertainty created by the day-ahead forecasts are negatively impacting the ability of the ISO to manage frequency in those time intervals and capacity products that can respond to signals in those intervals are needed.

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

   PPC supports the ISO's plan to use Brattle to analyze the identified problem and demonstrate the feasibility and appropriateness of potential solutions. To the extent that internal ISO resources are insufficient or committed to other projects, use of an external contractor is appropriate. This is an important issue that needs to be resolved with all due speed. Delaying until resources can be acquired or freed up is potentially detrimental to reliable system operations.

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

   PPC does not have specific metric suggestions, but PPC does support the Public Generating Pool's suggestion that the ISO develop and publish a side-by-side evaluation of the net load curve as currently defined and a net-load curve that is based on inflexible resources.

4. Plan to move the flexible capacity initiative forward.

   PPC supports the plan to move forward set out in the ISO's meeting presentation at p. 28-31. PPC supports the holistic look at the problem and potential solutions and is very encouraged that the ISO is looking at the use of intertie resources to provide some of the flexible capacity needed to meet its increasing ramps. With sufficient advance time for system planning, Northwest hydro can be made available and would be capable of responding to ramping needs. These are important resources that the ISO can tap in the with little or no incremental investment to ensure reliable operation of its system.

5. Any other comments.

   PPC supports clearly defining the resource qualification criteria for flexible capacity to create a product differentiation that assures the ISO has access to resources with the adequate flexible resource characteristics. ISO should work with stakeholders to define products that can be procured in the day-ahead timeframe and dispatched in increments of less than three hours to allow it to meet the uncertainty driving ISO's 1-hour and intra-hour needs.

   The ISO should adopt changes to permit the use of resources outside the ISO footprint to achieve increasing renewables integration at the most efficient cost and with minimal renewables curtailment. Additionally, the ISO needs to improve the accuracy of variable energy resource forecasting and/or provide itself with tools or market rules to hold those resources to those forecasts to control ramps.