

2015-10-26 RSI 2 Comments

Submitted by	Company	Date Submitted
Martin Blagaich 626-302-3302	SCE	10/26/2015

SCE appreciates the opportunity to comment on CAISO's RSI 2 initiative. SCE offers the following comments on two of the proposals.

CAISO should explore the proposal to allow flexible capacity substitutions with resources that could satisfy the Must Offer Obligation and daily requirements of the resource on outage

SCE agrees with the CAISO that the forced outage substitution rules for flexible capacity should be aligned with the planned outage substitution rules for flexible capacity. However, the idea raised during the 10/14 workshop to allow substitutions based on the ability to meet daily must offer obligations deserves consideration.

Currently, a resource can only substitute for a flexible resource on outage if it is classified as the same level of flexible capacity or higher. For example, if a Base Flexibility resource goes on outage it must be replaced by another base ramping resources. However, SCE does not see any reliability issues with allowing a flexible resource on outage to be replaced by a resource that can meet the original resource's daily must offer obligations. Under this scenario, a Base Flexibility resource on outage can be replaced with a resource that can start twice a day but not necessarily start 60 times per month¹. The resource being used for replacement only needs enough monthly starts for the duration it is expected to be used to replace the base ramping resource. Additionally, the RA AIM mechanism already in place would incentivize resources to meet the original must offer obligation or find another replacement In the event an outage lasts longer than expected.

SCE requests the CAISO explore this change for both planned and forced outage flexible capacity substitution. This change should allow more resources to provide needed flexibility to the CAISO without sacrificing system reliability.

¹ The requirement to a base ramping resource is to start twice a day and 60 times per month, among other criteria.

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SCE thinks option 4 is promising for local capacity substitution, but details need to be developed before the proposal can be supported and implemented.

SCE believes the fourth proposed option² for Local Capacity replacement has the potential to be an improvement over the current practice. Option 4 allows resources to be flagged for their purpose when being shown and removes the risk of meeting a replacement burden the resources was never meant to have. However, as with any new policy, this proposal may create more issues than benefits depending on the implementation details. Parties expressed concern about some of the high level implementation details during the 10/14 workshop and SCE agrees they should be developed before this proposal is accepted. Some specific details that should be discussed include:

- **How will this change align with the CPUC process?**
- **How will a resource be treated when only part of its capacity is shown as local (and the rest as generic)?**
Under this scenario, SCE proposes that a resource's capacity be separated out for the purpose of substitution requirements. For example, if a 100 MW resources is shown for 50 MW of local + system and 50 MW of just system, it would be required to replace its capacity with 50 MW of local and 50 MW of system in the event it goes on outage.
- **How will local and generic capacity splits be treated when a resource goes on partial outage?**
Under this scenario, SCE proposes that a resource's capacity always be used to meet the local obligation first. That is, if the 100 MW resource in the example above has a partial derate of 50 MW, the remaining 50 MW will still be counted for the local obligation. If the resource has a partial derate of 75 MW, then the remaining 25 MW will be counted for the local obligation.

² Add an additional flag to monthly and annual RA submissions to track system and local procurement, allowing for like-for-like substitute capacity for forced outage