

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your comments on the FRACMOO Phase 2 stakeholder initiative Draft Framework Proposal posted on May 1, 2017.

Submit comments to InitiativeComments@CAISO.com

Comments are due December 13, 2017 by 5:00pm

The Draft Framework Proposal posted on November 20, 2017 and the presentation discussed during the November 29, 2017 stakeholder web conference may be found on the [FRACMOO](#) webpage.

Please provide your comments on the Draft Framework Proposal topics listed below and any additional comments you wish to provide using this template.

Identification of ramping and uncertainty needs

The ISO has identified two drivers of flexible capacity needs: General Ramping needs and uncertainty. The ISO also demonstrated how these drivers related to operational needs.

Comments:

With respect to the predictable ramping needs, SCE believes that the CAISO should evaluate the granularity of the IFM as a lack of granularity with rapid ramps can have an impact on the need of ramping resources. This examination should be an effort to ensure that the capacity resources dedicated to the CAISO through the RA program are efficiently utilized to address the reliability needs of the system. Such examinations should be performed and implemented prior

to any change in the definition of the Flex RA product as flaws in the dispatch could create what appear to be capacity market issues that are not truly a lack of capacity but rather a flaw in the manner in which such capacity is dispatched in the energy market.

With respect to the ramping uncertainty, SCE notes that this section discusses again the granularity of the IFM in comparison to the RTD. Here, the CAISO shows a graph of DA v. FMM v. RTD forecasts. It appears that the “forecasts” are more in line with the market schedules than an actual forecast of load or generation. As stated above, SCE is supportive of examining the granularity differences of these markets to more accurately dispatch resources in the IFM rather than enter the FMM and RTD knowing that the lack of IFM granularity will cause ramping needs.

SCE notes that neither of these concerns and the data provided by the CAISO regarding the volume and volatility of “uncertainty” are evidence that the flexible RA product has failed to provide sufficient capacity from which the CAISO can dispatch energy to meet ramping needs. Rather, they are informative in understanding how the dispatch of resources, regardless of their standing within RA, is not necessarily meeting the CAISOs expectation of operational needs. The question then that should be asked is, does the current energy optimization process have as an objective meeting the needs that the CAISO has pointed out (i.e. meeting ramps, avoiding CPS violations, etc.)? If it is the case that the objective functions of the energy markets do not address these concerns then it is entirely possible that adding a new Flex RA product (or products) will similarly produce capacity that the optimization will continue to fail to utilize to address the operational needs of the system. SCE to this point has not seen indications in the market results or in market notices from the CAISO that the market is running out of sufficient capacity to dispatch for operating needs. Without such information or some analysis showing that the CAISO is coming close to that situation, it is hard to conclude that a new Flex RA product is warranted and if implemented will solve any of the mentioned issues.

Quantification of the flexible capacity needs

The ISO has provided data regarding observed levels of uncertainty, in addition to previous discussion of net load ramps.

Comments:

As stated above, SCE does not believe that the information provided demonstrates that there is a lack of Flexible RA capacity available to the CAISO. Rather, the information suggests that there is some potential that the market energy dispatch from those resources is not sufficiently aligned with the operating needs of the CAISO system.

SCE requests that the CAISO first focus on the energy market (including the Flexible Ramping Product) to determine if the market is optimally utilizing the capacity made available through the Flexible RA program. Once this research is conducted, an informed decision about the adequacy of the Flex RA quantity made available.

Eligibility criteria and must offer obligations

The ISO has outlined the need for three different flexible RA products: Day-ahead load shaping, a 15-minute product, and a 5-minute product. Additionally, the ISO has identified a preliminary list of resources characteristics and attributes that could be considered for resource eligibility to provide each product. Additionally, the ISO is considering new counting rules for VERs that are willing to bid into the ISO markets.

Comments:

SCE does not agree with the definition of new products as the current stakeholder process has not been able to demonstrate a shortfall in capacity from the existing Flex RA product.

Equitable allocation of flexible capacity needs

Equitable allocation of flexible capacity needs is a critical element of a new flexible RA framework. The ISO seeks comments on potential allocation methodologies.

Comments:

SCE does not have any comments on this topic at this time.

Other

Please provide and comments not addressed above, including any comments on process or scope of the FRACMOO2 initiative, here.

Comments:

SCE does not have any additional comments at this time.