

SVP Comments on Flexible Resource Adequacy Criteria and Must-Offer Obligation Draft Tariff Language

Submitted by	Company	Date Submitted
Ken Kohtz kkohzt@santacalaraca.gov (408)-615-6676	Silicon Valley Power ("SVP")	May 30, 2014

The City of Santa Clara, doing business as Silicon Valley Power ("SVP") appreciates the opportunity to submit comments on the California Independent System Operator Corporation's ("CAISO") May 19, 2014 Flexible Resource Adequacy Criteria and Must-Offer Obligation ("FRAC-MOO") Draft Tariff Language. SVP operates in the CAISO as a Load Following Metered Subsystem ("LF-MSS").

1. Draft Section 40.10.1.2(b)(5) requires Scheduling Coordinators to describe "balancing services" for wind or solar resources outside of the CAISO's Balancing Authority Area ("BAA"). SVP seeks clarification regarding firmed and shaped wind resources located in the Bonneville Power Administration BAA. Would SVP be required to explain BPA's balancing services, or would it be required to describe the firming and shaping contractual service, or both under Section 40.10.1.2(b)(5)?
2. In draft Section 40.10.2.1(a), Allocation of Maximum Three-Hour Net-Load Ramp, the CAISO does not specify how the one-minute load for each Load Serving Entity ("LSE") will be calculated in determining the LSE's contribution to change in load. SVP requests further explanation as to how the CAISO translates the hourly LSE load data (or 30 minute, or 15 minute, or 10 minute or 5 minute load data) to 1 minute data.
3. SVP expresses concern that draft Section 40.10.4 would potentially disqualify units from having an Effective Flexible Capacity ("EFC") calculated if the resources, in the previous calendar year or in the most recent 12-month period for which data is available, were only self-scheduling and did not submit economic bids. For example, SVP could be handcuffed in a showing if an otherwise-qualifying flex resource did not submit at least one economic bid for energy in the real-time market on at least 10 days in the previous calendar year. Whether or not a resource previously submitted an economic bid does not change the fact that the resource has flexible characteristics, and when it is committed as flex capacity it will be required to bid. So in a nut shell, what the resource did previously has no bearing on its expected performance in the future.

4. Draft Section 40.10.4.2.1(a)(1) references a section at the end of the provision (*i.e.*, Section 40.10.4.1(a)), which does not seem to exist. SVP requests that the CAISO incorporate the correct reference in 40.10.4.2.1(a)(1).
5. Draft Section 40.10.6.1(b) states that “Flexible RA Capacity Resources must be available except for limitations specified in the Master File, legal or regulatory prohibitions or as otherwise required by this CAISO Tariff or by Good Utility Practice.” SVP seeks clarification regarding whether a generator limitation in a contract that might not be fully recognized in the Master File would count as a “legal or regulatory prohibition” as that term is used in Section 40.10.6.1(b).
6. SVP seeks clarification regarding draft Section 43.2.7(b)(2), in particular with regard to the portion that states that a collective deficiency will exist in the monthly Flexible RA Capacity Plans . . . “if the total amount of Flexible RA Capacity shown in a Flexible Capacity Category in the plans of all Load Serving Entities, based on the Effective Flexible Capacity value determined by the CAISO for each resource[], is less than the minimum monthly requirement for that category or exceeds the maximum monthly requirement for that category determined by the CAISO pursuant to Section 40.10.1.”

SVP believes the CAISO is intending to address the fact that Base Ramping Resources can exceed the minimum requirement, but Peak Ramping Resources cannot be used to satisfy the Base Ramping Requirement. SVP seeks further explanation regarding the phrase "or exceeds the maximum monthly requirement for that category." Is that limited to Peak and/or Super-Peak Ramping Resources? Would such an occurrence automatically create a collective deficiency, or does the deficiency only exist if the excess of, for example, Peak results in a deficiency in Base? SVP submits that one should not be penalized if they had more than the minimum Base Ramping Resources or if they had more than the maximum Peak or Super Peak Ramping resources, so long as they also had the minimum Base Ramping resources.