



Stakeholder Comments Template

Resource Adequacy Enhancement Initiative: Second Revised Straw Proposal

This template has been created for submission of stakeholder comments on the **Resource Adequacy Enhancements Initiative, Second Revised Straw Proposal** that was held on October 9, 2019. The meeting material and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on October 24, 2019.

Submitted by	Organization	Date Submitted
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Please provide your organization’s comments on the following topics. When applicable, please indicate your organization’s position on the topics below (Support, Support with caveats, Oppose, or Oppose with caveats). Please provide examples and support for your positions in your responses.

System Resource Adequacy

1. Determining System RA Requirements

Please provide your organization’s feedback on the System RA Requirements proposal as described in the second revised straw proposal.

Wellhead supports the CAISO’s efforts to address unforced outages in its resource adequacy planning but proposes that CAISO defer implementation of the bottom-up UCAP approach to avoid disruption to the bilateral markets.

Instead, the CAISO should implement a modified top-down UCAP where the NQC of the system portfolio is converted to a UCAP equivalent and resource specific UCAP’s are calculated for a publicly available comparison to the UCAP of the system portfolio. This transparent comparison would send the correct market signals to LSE’s and poorly performing resources, but without an immediate disruption to the current bilateral market.

A modified top-down approach would also better align with CAISO's proposal for local UCAP and provide LSEs access to resource-specific UCAP to improve their portfolios over time.

Under a modified top-down approach, the bilateral market will have time to adapt, and if the high forced outage rates persist, then the CAISO should be able to pursue a bottom-up UCAP approach without major disruptions.

2. Forced Outage Rates Data and RA Capacity Counting

Please provide your organization's feedback on the Forced Outage Rates and RA Capacity Counting and Forced Outage Rate Data topics as described in the second revised straw proposal.

Wellhead supports with the CAISO's proposal for forced outage rate data and RA capacity counting with the following caveats.

- GADs data is appropriate for the type of reporting required at the federal level, but given that CAISO has a unique market, with a unique fleet of resources and unique exceptions to forced outages (gas constraints, use-limitations, etc....) Wellhead believes that using GADs is not appropriate for determining UCAP. Wellhead supports the use of OMS data for forced outage rate data. OMS is fully in CAISO's control and its use will not require SCs to implement changes to custom code as the CAISO market evolves.
- Wellhead supports the proposed UCAP calculation and would support either monthly or seasonal assessments.
- Wellhead strongly supports the CAISO's proposed weighting calculation.

Since the purpose of the UCAP approach is to incentivize good maintenance practices, Wellhead again requests the CAISO to consider a mechanism to cure forced outages that are both statistical outliers in length and where root cause can be shown to have been outside of the resource's control, and not due to a lack of preventive maintenance. Such a mechanism does not need to create a burden on CAISO staff as the universe of qualifying outages would be small but would ensure that UCAP is fair to all market participants.

3. Proposed Forced Outage Rate Assessment Interval

Please provide your organization's feedback on the Proposed Forced Outage Rate Assessment Interval topic as described in the second revised straw proposal.

Wellhead supports the proposed UCAP calculation and supports a quarterly assessment period.

4. System RA Showings and Sufficiency Testing

Please provide your organization's feedback on the System RA Showings and Sufficiency Testing proposal as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal to use the net load deterministic model using the Integrated Optimal Outage Coordination (IOOC) tool for the portfolio testing and agrees that the appropriate metric should be the ability of the portfolio to serve load (load, Ancillary Services, and load following) using a the CEC 1-in-2 hourly load forecast.

5. Must Offer Obligation and Bid Insertion Modifications

Please provide your organization's feedback on the Must Offer Obligation and Bid Insertion Modifications proposal as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal for a day-ahead MOO at the NQC with bid insertion provisions for non-use-limited resources and resources registered as use-limited under Commitment Cost Enhancements – Phase 3 (CCE3) policy.

6. Planned Outage Process Enhancements

Please provide your organization's feedback on the Planned Outage Process Enhancements proposal as described in the second revised straw proposal.

Wellhead supports with caveats the CAISO's proposed enhancements to the planned outage process. The current proposal is adequate for planned and opportunity outages given that outages will be approved based upon sufficiency and not like-for-like replacements. However, the current proposal does not address needed revisions to the current short-term opportunity outages which are currently aligned with the RAAIM non-assessment hours. To fully align with the proposed RA enhancements, Wellhead recommends that the CAISO allow for resources to take short-term opportunity outages if they have not received DA awards. Exceptions to this could be made for high load, no-maintenance days and potentially other situations where the confidence in CAISO's ability to cover DA uncertainty may be questionable.

7. RA Imports Provisions

Please provide your organization's feedback on the RA Imports Provisions proposal as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal for RA import provisions.

Flexible Resource Adequacy

8. Identifying Flexible Capacity Needs and Requirements

Please provide your organization's feedback on the Identifying Flexible Capacity Needs and Requirements topic as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal to align Flexible Capacity with the Imbalance Reserve Product and eliminate consideration of the 3-hour ramp.

9. Setting Flexible RA Requirements

Please provide your organization's feedback on the Setting Flexible RA Requirements topic as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal for setting Flexible RA requirements

10. Establishing Flexible RA Counting Rules: Effective Flexible Capacity Values and Eligibility

Please provide your organization's feedback on the Establishing Flexible RA Counting Rules: Effective Flexible Capacity Values and Eligibility topic as described in the second revised straw proposal.

Wellhead generally supports with caveats the CAISO's proposal for Flexible RA counting rules but believes that the criteria needs to consider deliverability.

Wellhead supports the CAISO's proposal to calculate the EFC using the largest range a resource can move over 15-minute interval capped at the resource's UCAP where the Pmin for a resource is either completely included or excluded from a resource's EFC. Given their limited availability, Wellhead does not support an EFC for solar resources at this time.

Given that Flex RA will provide the resources necessary for the FRP, and deliverability of FRP is a critical concern with the current FRP design, Wellhead recommends that either that System/Import Flex RA be limited to some threshold (i.e.....no more than 50% of the total Flex RA requirement) or that System/Import EFC be counted at 50% of its full value. By prioritizing Flex RA from Local resources, the CAISO can more adequately ensure sufficient FRP when the FRP deliverability constraints being considered are binding.

11. Flexible RA Allocations, Showings, and Sufficiency Tests

Please provide your organization's feedback on the Flexible RA Allocations, Showings, and Sufficiency Tests topic as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal for Flex RA allocations, showings, and sufficiency tests, provided that such sufficiency test include some minimum threshold for deliverability.

12. Flexible RA Must Offer Obligation Modifications

Please provide your organization's feedback on the Flexible RA Must Offer Obligation Modifications topic as described in the second revised straw proposal.

Wellhead fully supports the CAISO's proposal for the Flex RA MOO.

Local Resource Adequacy

13. UCAP for Local RA

Please provide your organization's feedback on the UCAP for Local RA topic as described in the second revised straw proposal.

Wellhead supports the CAISO's proposal to run existing studies at NQC and then convert local capacity requirements into a UCAP equivalent value.

Additional comments

Please offer any other feedback your organization would like to provide on the RA Enhancements Initiative.