

Western Power Trading Forum Comments on CAISO Final Draft RSI Proposal

Ellen Wolfe, Resero Consulting for WPTF, 916 791-4533, ewolfe@resero.com

February 12, 2014

WPTF offers the following comments on the CAISO's January 22, 2015 Draft Final RSI proposal.

WPTF continues to advocate comparable Must Offer Obligations and market treatment for PDRs and Generators. Rather than exempt long-start PDR resources from RUC as the CAISO has proposed, WPTF much prefers inclusion of the PDR resources in the RUC process with commitment costs that reflect the energy and/or start limits on the resources. WPTF would likely be willing to agree to a year's delay in inclusion of long-start PDRs in RUC to allow for the development of appropriate opportunity cost-based commitment costs.

WPTF opposes the CAISO proposal to cap local RA procurement requirements at the level of system requirements. The CAISO previously has argued that local RA requirements are potentially higher in non-summer months, the months in which local requirements are likely to exceed system requirements. Allowing procurement to fall when actual requirements are equal to or higher than the annual requirements could jeopardize reliability.

In addition, the CAISO proposal is potentially discriminatory in that it does not necessarily reduce local procurement requirements proportionately for all LSEs in a TAC area, i.e., it may not lower local procurement requirements for LSEs with comparatively high loads and hence comparatively high system RA requirements in non-summer months.

WPTF encourages the CAISO to adopt a strategy of monitoring the interaction between outage scheduling and RA replacement and non-performance penalties. WPTF appreciates the CAISO's consideration regarding outages that are cancelled or moved. WPTF is however, concerned that there are other interactions between outage scheduling and RA provision. To the extent the CAISO approves outages well in advance of the outage date suppliers are able to plan for replacement needs. Short of this, however, there are risks for suppliers. WPTF asks that the CAISO keep this outage scheduling/RSI "seam" on their radar screen, watching for other undesirable unintended consequences.

We appreciate your consideration of our comments.