

Western Power Trading Forum comments on Revised Draft Final Proposal for Reliability Services Initiative

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WPTF appreciates the opportunity to comment on the July 7, 2016 Revised Draft Final Proposal for Reliability Services and July 14 meeting.

It is not appropriate to develop planned outage rules for an interim Flexible RA product.

The current flexible RA product is an interim product. The ISO delayed creating planned outage rules for the interim product in RSI phase 1 until the ISO developed a permanent flexible RA product. It was delayed because there was no immediate reliability need for planned outage rules and because any planned outage rules for flexible resources would have to be specific to the product and it would both be inefficient from the perspective of the ISO and market participants. The ISO would have to design and build software twice and market participants would have to reevaluate their current flexible RA contracts and potentially go through contract renegotiations. The ISO; however, proposes in RSI phase II to develop planned outage rules for flexible RA. WPTF makes the following comments:

- The ISO still has not clearly stated their intention to develop planned outage rules in a paper or presentation, which is likely why the ISO has not received a single comment on this in prior drafts. Even the stakeholder comments and section in the Revised Straw Proposal call the proposal for flexible planned outages “substitution for flexible capacity resources on planned outages,” which is misleading as to the intent of the proposal.
- The ISO has not included critical details in the policy development paper on planned outage rules. For example, it is unclear whether the ISO will assess planned outages for all flexible RA capacity or by category; or whether the ISO will require substitute capacity for each planned outage or whether leaning between resources or LSEs will be allowed (as it is for system capacity).
- Finally, and most importantly, the ISO has not explained the logic of getting Board and FERC approval for rules that will be implemented in the same year the RA product sunsets. According to the ISO’s most recent [implementation schedule](#), RSI II rules cannot be implemented until Fall 2018. The interim flexible RA product is intended to be replaced by a permanent flexible RA product in 2018. Unless the final RA product looks identical to the current interim product, spending effort and resources on planned outage tariff filings, BPM development, software design and software testing will be like throwing money down a hole.

WPTF does not support the ISO's proposal for planned outage rules on an interim product. There is no demonstrated reliability need and the development of these rules will likely cause market participants to needlessly reopen and renegotiate their flexible RA contracts.

WPTF supports the proposal to change RA showing rules for local resources.

Requiring local substitution for capacity that is not needed to meet the local requirement is unnecessary costly and onerous. Implementing complex RA rules is challenging and often leads to the implementation being delayed. WPTF highly encourages the ISO to work with market participants to streamline these rules as much as acceptable to reduce implementation and contracting complexity.

The revised draft final proposal does not have sufficient detail for Board approval.

WPTF does not support the ISO's proposal in its current form due to lack of details and solutions provided. WPTF does not believe the ISO should present its proposal to the Board of Governors in August, particularly given the expected 2018 implementation date.