

Stakeholder Comments Template

Resource Adequacy Enhancement Initiative: Second Revised Straw Proposal

Submitted by	Organization	Date Submitted
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Bonneville Power Administration (Bonneville) appreciates the opportunity to comment on the Resource Adequacy Enhancement Revised Straw Proposal.

Bonneville is a federal power marketing administration within the U.S. Department of Energy that markets electric power from 31 federal hydroelectric projects and some non-federal projects in the Pacific Northwest with a nameplate capacity of 22,500MW. Bonneville currently supplies 30 percent of the power consumed in the Northwest. Bonneville also operates 15,000 miles of high voltage transmission that interconnects most of the other transmission systems in the Northwest with Canada and California. Bonneville is obligated by statute to serve Northwest municipalities, public utility districts, cooperatives and other regional entities prior to selling power out of the region.

System Resource Adequacy

1. Determining System RA Requirements

Bonneville supports the CAISO’s proposal to develop a minimum system Unforced Capacity (UCAP) requirement to ensure the shown Resource Adequacy (RA) capacity is sufficient to meet the CAISO’s system needs.

Bonneville is concerned that from a planning perspective, a Load Serving Entity (LSE) may be inadvertently required to over-procure RA if Import RA is part of its portfolio. When determining the UCAP requirement, the CAISO proposes to apply an operating reserves adder of 6% to the LSE’s load. If a LSE acquires Import RA to meet a portion of its RA requirement then that Import RA is required to have operating reserves associated with a delivery to the CAISO. Bonneville proposes the CAISO consider reducing a LSE’s UCAP requirement by 3% for the level of Import RA it acquires (which will have the 3% operating reserves for generation already provided).

2. Forced Outage Rates Data and RA Capacity Counting

Bonneville supports the CAISO's proposed RA Capacity counting rules and removing Forced Outage Replacement and RAIM application to forced outage periods. Bonneville requests that the CAISO propose how, or if, forced outages apply to System RA Imports in the next straw proposal that will be published in December. Bonneville proposes that for system sales sourced from a specified BA that the forced outage rate take into account the integrated system of generators and reserve sharing arrangements available to the source BA that ensures the Import RA is able to meet its RA obligations.

By way of example; Bonneville operates a system of resources (31 Federal dams with multiples of generators) in concert, to meet its total load obligation (including import RA obligations) and it carries a significant level of reserves, so any specific unit outage has no impact on its ability to provide firm energy to fulfill its load obligations.

3. Proposed Forced Outage Rate Assessment Interval

Bonneville supports the proposed 16 hour Forced Outage Rate Assessment Interval and at this time has no additional input on whether there needs to be additional protections put in place to cover off-peak hours.

4. System RA Showings and Sufficiency Testing

At this point in time Bonneville has no additional input on the System RA showings and Sufficiency Testing.

5. Must Offer Obligation and Bid Insertion Modifications

Bonneville generally supports the CAISO's proposed Must Offer Obligation and Bid Insertion Modifications including the proposed exemption for non-dynamic, non-resource Specific Imports.

Bonneville requests clarification on the CAISO's plan for how the DA Award will be settled as well as the RT award.

Bonneville seeks confirmation from the CAISO that a system resource with an identified source BA and firm transmission will not be considered a speculative supply and therefore can either economically bid or self-schedule into the Day-Ahead and Real-Time markets.

As mentioned above, Bonneville operates a system of resources (31 Federal dams with multiples of generators) in concert, to meet its total load obligation (including import RA obligations), and it carries a significant level of reserves. Any specific unit outage has no impact on Bonneville's ability to provide firm energy to fulfill its load obligations. Bonneville's system, as well as other similar cascading hydro systems, are far superior to a single generating resource, and meets the intent of reliability and availability that the CPUC attributes to "resource-specific" imports.

6. Planned Outage Process Enhancements

At this point in time Bonneville has no additional input on the System RA showings and Sufficiency Testing.

7. RA Imports Provisions

Bonneville supports the CAISO's proposed RA Import Provisions, including the specification of a source Balancing Authority at time of showing, incorporating the CPUC's RA program rules and regulations, clarifying the CAISO requires RA imports to be delivered on firm transmission to the CAISO, and proposed bidding requirements.

As noted above under the Must Offer Obligation and Bid Insertion Modifications, Bonneville seeks confirmation from the CAISO that a system resource with an identified source BA and firm transmission will not be considered a speculative supply and therefore can either economically bid or self-schedule into the Day-Ahead and Real-Time markets.

8. Flexible Resource Adequacy

Bonneville supports the CAISO's proposed Flexible Resource Adequacy structure. Bonneville has no additional input on Flexible Resource Adequacy.

9. Local Resource Adequacy

At this point in time Bonneville has no additional input on UCAP for Local RA.

10. Additional comments

Bonneville supports ongoing coordination across the RA Enhancements, DAME and EDAM initiatives.