California ISO

Stakeholder Comments Template

Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the Resource Adequacy Enhancements third revised straw propopsal that was published on December 20, 2019. The proposal, atakeholder meeting presentation, and other information related to this initiative may be found on the initiative webpage at: http://www.caiso.com/StakeholderProcesses/Resource-Adequacy-Enhancements

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **January 27, 2020**.

Submitted by	Organization	Date Submitted
Naor Deleanu 650-533-2014	*Olivine, Inc.*	*1/27/2020*

Please provide your organization's comments on the following issues and questions.

1. System Resource Adequacy

Please provide your organization's feedback on the System Resource Adequacy topic as described in section 5.1. Please explain your rationale and include examples if applicable.

Olivine appreciates the opportunity to comment on CAISO's most recent Resource Adequacy Enhancements Straw Proposal. Olivine has several comments on UCAP determination for Demand Response resources. First, we still hold concerns over the applicability of ELCC to third-party DR programs[1]. However, we do support a transition away from RAAIM to assess DR availability, particularly as it clarifies bidding requirements for availability-limited resources. We caution that any CAISO assessment should be carefully implemented so that CAISO is not imposing a penalty on capacity that may already be derated by LRAs. For example, if the CPUC adopts a similar methodology as CAISO is proposing and derates NQC in subsequent years, it would be problematic for CAISO to further reduce the assumed capacity.

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[1] Olivine Comments on ESDER 4 Revised Straw Proposal:
http://www.caiso.com/InitiativeDocuments/OlivineComments-EnergyStorage-DistributedEnergyResourcesPhase4-RevisedStrawProposal.pdf

CAISO proposed, in the absence of an ELCC for DR adopted by LRAs, an assessment based on Demand Response event performance over the prior three years. In the straw proposal, CAISO suggests this assessment be done at the SC-level instead of a resource ID level in order to minimize gaming/manipulation. Olivine understands this concern, but as the Scheduling Coordinator for multiple retail DRPs, we do not think that SC-level monitoring is appropriate. Olivine would support this monitoring be done at an RA capacity Seller level so that each organization providing RA services is separately assessed. Throughout a calendar year, each resource ID can typically be mapped to a single retail DRP that has entered into an RA contract with an LSE. This information can be provided confidentially so no contract information is publically disclosed.

Olivine suggests if this method is implemented, the three year period of assessment should not start until concurrent implementation of ESDER 4 enhancements on availability-limited resources. A shorter timeframe of analysis may be sufficient until three years of historical data are available. Additionally, Olivine supports weighting assessment so that more recent performance is given greater emphasis. This will reduce the lag in recognizing improvements for DRPs that change their bidding strategy and/or resource composition in response to prior year's poor performance.

Please provide your organization's position on the System Resource Adequacy topic as described in section 5.1. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

Support with caveats/Neutral

As stated, we support a transition away from RAAIM for DR but current CAISO proposed replacements are not fully detailed and/or still have unanswered questions.

Olivine does not have a position on non-DR portion of the proposal.

2. Flexible Resource Adequacy

Please provide your organization's feedback on the Flexible Resource Adequacy topic as described in section 5.2. Please explain your rationale and include examples if applicable.

Please provide your organization's position on the Flexible Resource Adequacy topic as described in section 5.2. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

3. Local Resource Adequacy

Please provide your organization's feedback on the Local Resource Adequacy topic as described in section 5.3. Please explain your rationale and include examples if applicable.

Please provide your organization's position on the Local Resource Adequacy topic as described in section 5.3. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

4. Backstop Capacity Procurement Provisions

Please provide your organization's feedback on the Backstop Capacity Procurement Provisions topic as described in section 5.4. Please explain your rationale and include examples if applicable.

Please provide your organization's position on the Backstop Capacity Procurement Provisions topic as described in section 5.4. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

Additional comments

Please offer any other feedback your organization would like to provide on the Resource Adequacy Enhancements third revised straw proposal.