



Stakeholder Comments Template

Resource Adequacy Enhancements

Submitted by	Organization	Date Submitted
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Please provide your organization's comments on the following issues and questions.

Public Generating Pool (PGP¹) appreciates the opportunity to comment on the California ISO's Resource Adequacy Enhancements Third Revised Straw Proposal dated December 20, 2019.

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.

No comments.

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)

N.A.

¹ PGP represents eleven consumer-owned utilities in Washington and Oregon that own almost 8,000 MW of generation, 97% of which is carbon free with approximately 7,000 MW of which is hydro. Four of the PGP members operate their own balancing authority areas (BAAs), while the remaining members have service territories within the Bonneville Power Administration (BPA) BAA. As a group, PGP members also purchase over 45% of BPA's preference power.

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.

PGP continues to support CAISO's proposal to develop a single new flexible RA product designed to address the uncertainty between the day-ahead market and fifteen-minute market and that is aligned with the imbalance reserves product proposed under its day-ahead market initiative (DAME).

PGP strongly supports CAISO expanding its eligibility requirements for flexible RA to include imports. Import capacity is capable of providing significant ramping abilities and addressing the flexibility needs in CAISO's markets and should be eligible to provide flexible RA.

CAISO proposes that any resource providing flexible capacity must submit economic bids for energy, ancillary services and imbalance reserves to the CAISO's day-ahead market from 5:00 a.m. to 9:00 p.m. for all shown flexible RA capacity. However, CAISO explains that the CPUC decision in proceeding R17-09-020 requires all non-resource specific resources to self-schedule into the CAISO market, and under the requirements of that decision, non-resource specific RA import resources would be ineligible to provide flexible RA capacity for CPUC jurisdictional LSEs because flexible RA must be economically bid.

PGP understands the concerns raised with non-resource specific RA resources but does not believe that self-scheduling is the best remedy for the concern, specifically because a self-schedule undermines system optimization which could create other consequences. Given the recent stay of the CPUC decision in proceeding R17-09-020, PGP encourages CAISO to continue developing its proposal in a manner that would allow non-resource specific imports to provide flexible RA.

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.

No comments.

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)

N.A.

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.

No comments.

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)

N.A.

Additional comments

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

PGP offers the following comments on the Import RA provisions:

PGP supports CAISO's stated objectives related to import RA requirements and rules, which include: (1) Ensure that RA imports are backed by physical capacity and reserves with firm transmission delivery; (2) Work toward aligning the treatment of RA imports to interal RA resources and; (3) Ensure that import RA provisions align with other changes proposed in the extended day-ahead market initiative (EDAM) and day-ahead market initiative (DAME).

PGP supports CAISO's proposal to require non-resource specific RA imports to specify the source BAA for all imports on RA and supply plans for monthly showings. CAISO's analysis concluded that a select number of scheduling coordinators (4 out of 24 analyzed) may be providing non-resource specific RA imports that could represent speculative supply or may not be backed by sufficient reserves or firm transmission. Given the importance of ensuring RA imports are not double-counted or speculative supply, it is reasonable to require specification of the source BAA for imports. By doing so, the CAISO can certify that that import resources shown for RA are not also being used by the resource's native BA to serve native load, being sold to a third party or being used to meet capacity needs of other areas in addition to CAISO load.

CAISO is also reconsidering a resource-specification requirement for RA imports to address concerns related to speculative supply and double-counting. PGP supports efforts to deter speculative supply and avoid double-counting issues, however, we believe efforts to address these issues must be balanced so that imports that are legitimately backed by physical resources are not unnecessarily deterred or ineligible to provide supply to the CAISO BAA. For example, as Bonneville has stated, it operates a system of resources and carries a significant level of reserves, and any specific unit outage does not impact its ability to provide firm energy to fulfill its load obligations. PGP agrees with Bonneville that BPA's system and other cascading hydro systems that have an identified source BA and firm transmission should meet the intent of reliability and availability attributed to "resource-specific" imports and should not be considered speculative supply. PGP appreciates the opportunity to provide comments and looks forward to participating in this initiative going forward.