



Stakeholder Comments Template

Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the Resource Adequacy Enhancements third revised straw proposal that was published on December 20, 2019. The proposal, stakeholder 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
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Please provide your organization's comments on the following issues and questions.

SMUD appreciates the opportunity to provide comments and input on the CAISO's Resource Adequacy Enhancements Initiative, Third Revised Straw Proposal, dated December 20, 2019 (Proposal). SMUD is an active market participant in the CAISO's Day Ahead and Real-time Market, including the Energy Imbalance Market. We are situated in the Balancing of Authority of Northern California (BANC) and have robust interties with the CAISO grid, which we use frequently to import and export power. This provides SMUD the potential to provide import Resource Adequacy (RA) to the CAISO market. SMUD also has a number of resources inside the CAISO footprint which could provide RA as well. Accordingly, we have a direct interest in this initiative.

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.

It is apparent from the materials that CPUC load-serving entities (LSEs) are relying more and more on import RA to meet their obligations, and therefore the CAISO should ensure its proposal does not unreasonably restrict the use of import RA. While we understand the CAISO's general concern of speculative supply and double counting, we believe the CAISO's shift back to requiring resource-specific designation for import RA is a step too far. SMUD believes this more restrictive requirement provides less flexibility to suppliers and could limit import RA. As SMUD has commented under the prior proposals, we continue to support source Balancing Authority (BA) requirement for import RA. Like other vertically-integrated utilities that have interties with the CAISO, SMUD has a pool of resources to rely on for delivering power, and a system sale over the interties is firmer and more liquid than a resource-specific delivery.

The CAISO's other recommendations in the Proposal, including its requirement that the source BA be able to demonstrate its ability to provide firm energy deliveries to the CAISO BA of any non-resource specific import RA, will likely provide the level certainty on deliverability that the CAISO seeks.

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 caveat as described above.

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.

Unforced Capacity (UCAP)

SMUD believes the use of UCAP could negatively affect RA supply as it unnecessarily derates the availability of a resource. This will result in a misalignment between the UCAP and NQC ratings, which could result in an LSE having to procure additional RA to meet its UCAP obligation. While the UCAP is a result of supplier performance, the CAISO places the burden on the LSE to ensure adequate resources are secured, and imposes a penalty on the LSE for falling short. This penalty is misplaced--the supplier should bear this cost/penalty, not the LSE. Additionally, the proposed conversion to UCAP adds a layer of complexity and it is unclear how the CAISO will implement this requirement to align it with the CPUC procurement process. The CAISO should clarify the timing of releasing the ratings; and, will the CPUC and the CAISO have different ratings?

Administrative Duplication

The CAISO proposes to require certain administrative filings/showings. To the extent similar filings/showing are provided under the CPUC process, SMUD suggests the CAISO eliminate any filing/showing duplication as it is administratively burdensome.