California ISO

Stakeholder Comments Template

RA Enhancements

This template has been created for submission of stakeholder comments on the RA Enhancements Issue Paper that was published on October 22, 2018. The Issue Paper, Stakeholder Meeting presentation, and other information related to this initiative may be found on the initiative webpage at:
http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx

Upon completion of this template, please submit it to initiativecomments@caiso.com.

Submitted by	Organization	Date Submitted
Bonnie S. Blair 202-585-6905	Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California ("Six Cities")	November 14, 2018

Submissions are requested by close of business on **November 14, 2018.**

Please provide your organization's comments on the Issue Paper scope items listed below and any additional comments using this template.

Scoping Items

The ISO's has identified the following items for the initial scope of this stakeholder process. Please provide comments on each of the scoping items.

1. **RA Counting and Eligibility Rules**

   a. **System RA**

   The ISO proposes to review the RA counting and eligibility provisions related to RA resource NQC adjustments in this initiative, including a review of the application of Effective Forced Outage Rate (EFOR) performance criteria and accompanying NQC reductions and a review and clarification of RA counting rules for RA resources. Please provide comments on this scope.

   Six Cities' Comments: If and to the extent the ISO proposes modifications to RA counting and eligibility provisions to reflect the effect of forced outage rates, there must be a parallel and coordinated review and re-evaluation of substitution provisions and non-availability

penalties. By way of example, if the NQC for a resource eligible to be counted as RA capacity is reduced to reflect the impact of forced outages, continuing application of substitution requirements and/or non-availability charges could impose overlapping or duplicative penalties for outages.

b. Flexible RA

The ISO proposes to continue exploring enhanced flexible RA counting rules started in the FRACMOO2 stakeholder process. More specifically, the ISO will continue assessing the operational capabilities required from the fleet to align with both the Day-Ahead Market Enhancements (DAME) and the Extended Day Ahead Market (EDAM) and what flexible RA counting rule changes may be needed. Please provide comments on this scope.

Six Cities' Comments: The analyses described above appear to be appropriate for the scope of this initiative.

2. Review of Resource Adequacy Import Capability Provisions

The ISO proposes to conduct a comprehensive review of the ISO's Import Capability provisions, including; calculation methodologies, allocation process, and reassignment/trading provisions. The ISO believes that is may also be necessary to consider multi-year assessments and allocations. Please provide comments on this scope.

Six Cities' Comments: The Six Cities generally support review of RA import capability provisions and, in particular, support consideration of multi-year assignments or allocations of import capability in order to support longer-term resource commitments.

3. Rules for RA imports

The ISO proposes to include a review of RA import rules and provisions in the scope of this initiative, including a reassessment of the requirements and rules for the sources behind RA imports. Please provide comments on this scope.

Six Cities' Comments: The Six Cities support review of provisions relating to use of imported resources for RA purposes, including consideration of a requirement that imports of RA capacity be tied to an identified physical resource or forward contractual commitment with comparable obligations to deliver.

4. Must Offer Obligations, Substitution Rules, and RAAIM

The ISO proposes to include a review of the following set of issues as a part of this stakeholder initiative; need for substitution rules and RAAIM, developing an

emergency or event based RAAIM trigger, and must offer obligations for RA imports. Please provide comments on this scope.

Six Cities' Comments: The Six Cities support analysis of the issues described above as part of this initiative. There is an urgent need to better organize, coordinate, and ensure consistency of provisions relating to substitution, outage procedures, and non-availabiity charges.

5. System and Flexible Capacity Assessments and Adequacy Tests

As part of this stakeholder initiative, the ISO is considering a new tool to assess the adequacy of the system and flexible RA fleet. Please provide comments on this scope.

Six Cities' Comments: The Six Cities support development of an effective tool for assessing the ability of the system and flexible RA fleet to satisfy operational needs. RA procurement requirements should be based on a realistic and reasonable evaluation of the ability of existing resources to serve reasonably anticipated maximum load and flexibility requirements. The tool should be capable of performing RA assessments at regular planning intervals as well as on an as-needed basis (*i.e.,* when outages are submitted).

6. Meeting Local RA Needs

a. Local capacity assessments with availability limited resources

As part of this stakeholder initiative the ISO proposes to enhance the ISO's local capacity technical analysis to assess the impact of availability limited resources on local capacity needs. Please provide comments on this proposed scope.

Six Cities' Comments: See the response to Question No. 5 above. The Six Cities have no additional comments on this topic at this time.

b. Meeting local capacity needs with slow demand response

Through this initiative, the ISO proposes to explore how to best operationalize slow DR through pre-contingency dispatch so these resources can mitigate local reliability concerns and qualify for local RA. Please provide comments on this scope.

Six Cities' Response: The Six Cities have no comments on this issue at this time.

7. CPM/RMR Review

Through this initiative, the ISO is planning to identify any needed changes to the capacity procurement mechanism (CPM) or reliability must run (RMR) mechanisms, particularly focusing on the existing cost allocation tools. Additionally, the ISO will specify the process for backstop procurement of essential reliability resources (ERRs) if they are not procured through the RA process. Please provide comments on this scope.

Six Cities' Comments: The Six Cities have been participating actively in the Reliability Must Run and Capacity Procurement Mechanism Enhancements stakeholder process that has been on-going since January of 2018. It is unclear from the discussion at pages 17– 18 of the Resource Adequacy Enhancements Issue Paper how the RA Enhancements initiative relates to the RMR/CPM Enhancements initiative. It would be both confusing and inefficient to pursue the same or overlapping issues relating to RMR and/or CPM procurement in two different but contemporaneous initiatives. The Six Cities request that the ISO clarify the scope of the two initiatives as they relate to RMR and CPM procurement and avoid duplicative or overlapping consideration of issues.

Scope of Policy Examination

The ISO's has identified the initial scope for this stakeholder process as the items listed above. Please provide comments on the proposed scope. If there are specific items not already identified by the ISO that you believe should be considered, please provide specific rationale for why the ISO should consider it as part of this initiative.

Six Cities' Comments: At this time, the Six Cities have not identified any additional RA-related issues that should be addressed in this initiative.

Other

Please provide any comments not addressed above, including any comments on process or scope of the RA Enhancements initiative, here.

Six Cities' Response: The Six Cities have no further comments on the discussion in the Issue Paper at this time.