

MRP appreciates the opportunity to provide these comments on the CAISO's March 19, 2021 Market Enhancements for Summer 2021 Readiness Final Proposal and the associated draft tariff language.

MRP also includes several questions and respectfully requests that the CAISO respond to those questions.

Comments on Final Proposal

MRP's comments focus on the proposed scheduling priorities for exports and load. Numbers in paragraphs refer to pages in the Final Proposal.

- First, and most importantly, MRP notes that the CAISO's proposal, while providing greater assurance that exports are linked to a supporting resource that is operating and capable of producing energy to support the export, does not address a critical issue for MRP. That issue is: when a unit is providing both RA and non-RA capacity, and the unit is de-rated so that it cannot simultaneously provide the committed amount of RA and non-RA capacity, how does the CAISO reduce the amount of RA and non-RA that the unit can provide? MRP's experience indicates that, in such a situation, the CAISO will reduce the non-RA capacity fully before reducing any of the RA capacity. MRP objects to this discriminatory treatment, which is not consistent with the CAISO's philosophy of affording PT priority exports that are backed by non-RA capacity the same priority as CAISO load. MRP requests that the CAISO acknowledge that it intends to continue to reduce non-RA capacity before RA capacity when a unit is de-rated and discuss how it plans to address this issue when it presents this aspect of its proposal to its Board of Governors.
- MRP supports the CAISO's proposal to afford equal priority to PT exports and CAISO load. (17)
- The CAISO proposes that PT exports must re-declare a supporting resource in its real-time market bid. (17) MRP wants to ensure that it understands how that "redeclaration" will take place mechanically. AS MRP understands:
 - The CAISO will notify the Scheduling Coordinator ("SC") of the designated resource when its resource will be used to support a PT export. (18) The Final Proposal does not elaborate as to how that notification to the SC for the supporting resource will occur; MRP would like the CAISO to provide that detail.

The SC for the supporting resource is also supposed to attest that the resource can support the export. (19) Again, MRP is very interested in understanding the details as to how the SC for the supporting resource will provide this attestation.

- The designated resource must participate in RUC though a \$0/MW RUC availability bid up to the export self-scheduled quantity. (19)
- The CAISO indicates that if the supporting resource, after bidding \$0/MW into RUC, does not receive a RUC schedule, it must "re-bid the resource in the real-time market" for the export to retain PT priority. (20) What does "re-bid the resource in the real-time market" mean? Does it mean "submit a real-time energy bid for no less than the export

amount”? If so, are there any restrictions on those energy bids (e.g., must that energy be bid at a particular level)?

- The CAISO indicates that if the supporting resource DOES receive a RUC schedule, “real-time bids will be generated even if the scheduling coordinator does not re-bid the export.” (19) What bids will the CAISO generate? Default energy bids? Associated with what resource operating levels?

MRP notes that by generating bids for RUC capacity from non-RA supporting resources, the CAISO is effectively treating non-RA capacity as RA capacity. Again, given this treatment, the CAISO should treat RA and non-RA fully equivalently by reducing RA and non-RA pro rate when a supporting resource providing both RA and non-RA experiences a de-rate.

In sum, MRP’s understanding of this proposal is as follows:

- If the exporting SC wants PT priority for its export, it must self-schedule the export.
- The CAISO will then notify the SC for the supporting resource. (Details to follow.)
- The SC for the supporting resource must submit \$0/MW RUC availability bids up to at least the level of the export that it is supporting.
- If the RUC availability bids clear, and the SC for the supporting resource receives a RUC schedule, the SC for the supporting resource must submit real-time energy bids for the RUC amount even if the exporting SC does not re-bid or re-schedule the export. (Again, MRP believes that the SC for the supporting resource is not required to submit real-time energy bids at a particular level, but requests the CAISO confirm that understanding.)

MRP respectfully requests that the CAISO confirm, or correct, MRP’s understanding as set forth above.

MRP also respectfully requests that the CAISO also respond to these questions:

- If the SC does not want PT priority for its export, what, if anything, is required of the SC for the supporting resource?
- As MRP understands, the SC for a supporting resource is required to submit \$0/MW RUC availability bids and associated energy bids into both the IFM and real-time markets up to the committed RA and non-RA amounts at a minimum. If the CAISO market optimization does not award the supporting resource a RUC schedule, what happens with the self-scheduled export energy? Would it still be delivered by another resource and still receive PT export priority?
- It is MRP’s experience that if a resource has been designated to provide both RA capacity and non-RA capacity, but cannot simultaneously provide the full amount of RA and non-RA capacity (due, for example, to a real-time ambient or mechanical de-rate), that the CAISO will reduce the non-RA capacity first before reducing the RA capacity. In the CAISO’s Final Proposal, it seems that because the CAISO is unable to create the necessary validation to ensure sufficient non-RA capacity is available to support the PT export, the CAISO is relying on the SC of the designated resource to attest that the resource is still capable even if it is not dispatched. In such an

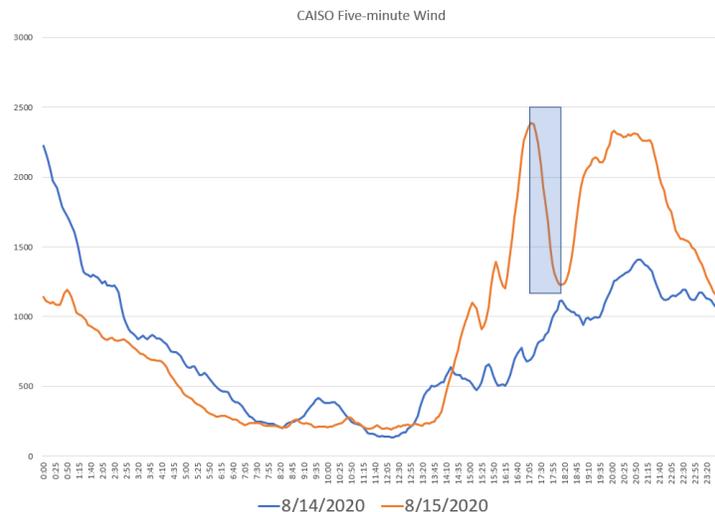
instance, if the SC of the resource is unable to accept the designation due to insufficient capacity caused by a de-rate, then the PT export would be rejected. Would such a rejection be on an hourly basis or for the entire day? MRP requests the CAISO to clarify why it treats RA and non-RA capacity differently in such a situation if both capacities have the same must offer obligations under the CAISO's Final Proposal.

Comments on Proposed Tariff Language

MRP offers these comments on the CAISO's new proposed subsections 30.5.1 (v) and (w). The CAISO language is in blue; MRP's comments are in red and its proposed edits are in green.

- (v) The CAISO will notify a Scheduling Coordinator that its resource is designated to support Self-Schedules of exports at Scheduling Points served by Generation from non-Resource Adequacy Capacity. A Scheduling Coordinator shall confirm that only an out-of-balancing area load serving entity has a right to the capacity being exported. [MRP: How will this confirmation take place?] The Scheduling Coordinator shall further confirm its supporting resource is reasonably expected to be available and provide ~~a the same~~ MWh quantity for each of the four (4) fifteen (15) minute intervals in the applicable Trading Hour that is no less than the MWh quantity of the Self-Scheduled export it is supporting based on all information known or that should have been known to it at the time it confirmed the designation. [MRP: Again, how will this confirmation take place?] A resource can satisfy this requirement if its forecasted quantity for each of the four (4) fifteen (15) minute intervals is equal to or greater than the designated quantity. The designated capacity shall not be capacity from a resource with Energy-Only Delivery Status.

MRP: The CAISO is proposing that a VER can serve as a supporting resource if its forecasted production is at least as great as the export it is supporting. MRP notes that, on August 15, 2020, the CAISO experienced a sharp reduction in wind production. Was this decrease forecast? Under the CAISO's proposed rules, could wind resources have served as supporting resources during the decrease in production (the shaded area in the graph below) based on their forecast levels prior to the sharp decline on August 15?



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April 2, 2021

- (w) A Scheduling Coordinator for a resource supporting Self-Schedules of exports at Scheduling Points served by Generation from non-Resource Adequacy capacity shall submit a \$0/MW RUC availability bid for a quantity equal to or greater than the Self-Scheduled quantity of the export. ~~The Scheduling Coordinator must submit a \$0/MWh RUC Availability Bid up to the export's Self-Scheduled quantity.~~ [MRP: Is the second sentence intended to implement the requirement set forth in the first sentence? Is the \$0 bid in the second sentence a \$0/MW RUC availability bid or a \$0/MWh energy bid? MRP believes the CAISO intends that it is a \$0/MW RUC availability bid. Further, MRP offers that the first and sentence sentences should be combined into a single sentence, as proposed above.] The Scheduling Coordinator shall offer the capacity into the Real-Time Market ~~in order~~ to support real-time Self-Schedules of exports at Scheduling Points served by Generation from non-Resource Adequacy Capacity. [MRP: What does it mean to “offer the capacity”? Does this mean offer energy associated with the capacity? That seems a better interpretation that offer AS capacity...]

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