

Submit comment on Draft Final Proposal

Initiative: Market enhancements for summer 2021 readiness

**1. Provide a summary of your organization’s comments on the straw proposal:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

EDF-R appreciates the CAISO producing a written Draft Final Proposal for this Summer 2021 readiness effort complete with a ‘Changes from the Straw Proposal’ matrix.  This paper was extremely helpful as we collectively sharpen efforts for summer readiness. EDF-R also appreciates the CAISO’s effort to focus attention on items which are actually feasible by summer 2021.

EDF-R is still very concerned about the Minimum State of Charge (MSOC) proposal for battery storage resources. EDF-R welcomes the CAISO’s changes to the proposal in setting a two-year sunset provision and clarifying MSOC will not be activated but for certain system conditions being met. However, EDF-R reiterates this requirement isn’t rooted in data and it has the potential for penalizing battery storage resources for response in the real-time market. The MSOC is unduly discriminatory to battery storage resources.

EDF-R supports the summer 2021 real-time scarcity pricing effort with caveat and requests that the CAISO explicitly renew its commitment to undertake the proposed Scarcity Pricing stakeholder initiative it proposed for this summer. EDF-R appreciates CAISO’s clarification on the January 27th call that the scarcity pricing proposal in this initiative is not meant to replace the stakeholder initiative planned for this summer. EDF-R appreciates the CAISO will not move forward with the proposal to increasing the real-time penalty prices to $2,000/MWh during tight system conditions.

**2. Provide your organization’s comments on the export and load priorities topic:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

 EDF-R requests CAISO provide detailed and careful tariff definitions for the terms (1) non- Resource Adequacy capacity and (2) supporting resource.

**3. Provide your organization’s comments on the EIM coordination and resource sufficiency test review topic:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

**4. Provide your organization’s comments on the import and export market incentives during tight system conditions topic:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

**5. Provide your organization’s comments on the real-time scarcity price enhancements topic:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

EDF-R supports this summer 2021 effort with caveat and requests that the CAISO explicitly renew its commitment to undertake the proposed Scarcity Pricing stakeholder initiative it proposed for this summer. EDF-R appreciates CAISO’s clarification on the January 27th call that the scarcity pricing proposal in this initiative is not meant to replace the stakeholder initiative planned for this summer.

EDF-R appreciates the CAISO will not move forward with the proposal to increasing the real-time penalty prices to $2,000/MWh during tight system conditions. This would have created inconsistencies between the day-ahead and real-time markets and would have been particularly punitive to battery storage resources when taken together with the MSOC proposal.

EDF-R continues to support price formation and real-time prices which send signals to the market. Scarcity pricing is an important mechanism to signal tight system conditions.

**6. Provide your organization’s comments on the reliability demand response dispatch and real-time price impacts topic:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

**7. Provide your organization’s comments on the management of storage resources during tight system conditions topic:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

EDF-R appreciates the CAISO’s changes to the Minimum State of Charge (MSOC) proposal as it was presented at the February 22nd Market Enhancements for Summer 2021 Readiness web conference. EDF-R welcomes the inclusion of a sunset provision, the identification of a set of ‘critical’ hours where the requirement is imposed, and the CAISO’s commitment to reporting. EDF-R requests that the CAISO model reporting and communications on the CAISO’s existing processes for exceptional dispatches and Capacity Procurement Mechanism (CPM) designations including a report that describes the reason for the MSOC designation[[1]](#footnote-1) and spreadsheet style report for data analysis.[[2]](#footnote-2)

EDF-R supports the notion that CAISO real-time operators should have transparency into storage state-of-charge at any given time, as described in in the draft final proposal (page 39 paragraph 1) however, the control tool described later in the section is concerning, and it was not discussed on the call. On the February 23rd Resource Adequacy Enhancements call the CAISO provided additional transparency on this tool. As EDF-R understands it, the tool CAISO plans to give real-time operators is not separate from the MSOC but is the ability to activate MSOC if they deem it appropriate. This means operators will have the ability to activate MSOC even if day-ahead results did not indicate tight conditions. This is a major shift from the February 22nd description. EDF-R requests that the CAISO provide clarity on this real-time tool and commit to developing an operating procedure and BPM change to describe when and how real-time operators will deploy MSOC, as discussed on the February 25th Summer Readiness Update web conference.

**8. Provide your organization’s comments on the other items considered in this initiative as described starting on page 39:** \*

Choose:

* Support
* Support with caveats
* Oppose
* Oppose with caveats
* No position

EDF-R supports a new OASIS report showing gross exports and imports by intertie and appreciates CAISO’s effort at increased transparency.

EDF-R supports independent study interconnection enhancements which will apply to a limited set of projects and will provide LSEs the potential to procure additional RA capacity for summer of 2021.

**9. Additional comments on the Market Enhancements for Summer 2021 Readiness draft final proposal:** \*

EDF-R also urges CAISO, the CPUC, and CEC to consider how they are planning for summer 2022, summer 2023, and beyond. This current effort is good and needed. But we will continue to face the same concerns each summer without some comprehensive effort to plan for the future. For the vast majority of clean energy resources and consistent with California’s statutory emissions goals, a lead time of less than a year for transactions does little to bring on flexible and zero-emissions resources. We have the ability to engage, plan, and provide incentives right now. We should do so concurrent to this near-term effort and not subsequent.

1. <http://www.caiso.com/Documents/October2020SignificantEventCPMReport.pdf> [↑](#footnote-ref-1)
2. <http://www.caiso.com/market/Pages/DailyExceptionalDispatch/Default.aspx> [↑](#footnote-ref-2)