California ISO

Stakeholder Comments Template

Commitment Cost Enhancements (CCE) Tariff Clarifications

This template has been created for submission of stakeholder comments on the Straw Proposal for the CCE Tariff Clarifications initiative. The paper, stakeholder meeting presentation, and all information related to this initiative is located on the initiative webpage.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business **January 6, 2019.**

Submitted by	Organization	Date Submitted
Mohan Niroula *9165740712*	*California Department of Water Resources (CDWR)*	*01/06/2020*

Please provide your organization's general comments on the following issues and answers to specific requests.

1. **Conditionally Available Resources**

   Please provide your organization's feedback on the Conditionally Available Resources (CAR) proposal. Please explain your rationale and include examples if applicable.

2. **Run-of-River Hydro**

   Please provide your organization's feedback on the Run-of-River Hydro proposal. Please explain your rationale and include examples if applicable.

   CDWR supports the concept of a Run-of-the River (ROR) hydro resource exemption from resource adequacy availability incentive mechanism (RAAIM). The proposal should clarify if the ROR hydro resources are exempt from flexible RA RAAIM as well.

   ROR hydro resources should not be required to provide hourly forecast of generation similar to a VERS resource.

   The proposal states, "The ISO will continue discussing how the net qualifying capacity for run-of-river hydro resources should be set to ensure they do not qualify for more capacity than they can reasonably provide to maintain system reliability". One solution for integrated water and power delivery system, such as the State Water Project (SWP), hydro resources would be to qualify them as ROR hydro and to allow them to create their own capacity forecast based on water delivery, current hydrology, and environmental

constraints reflecting current conditions. This approach recognizes that historical values do not represent a true net qualifying capacity (NQC). Currently, LRAs can establish their own counting criteria so that their specific operational limitations are represented in their capacity forecast. CAISO should continue this practice for integrated water and power delivery systems, or at least reflect those criteria among its counting options for hydro resources.

3. **Hydro Resource Counting Rules**

Please provide your organization's feedback on the Hydro Resource Counting Rules proposal. Please explain your rationale and include examples if applicable.

CAISO proposal states, "Each hydro resource in California is unique. Some of these resources are relatively simple to model and some are incredibly complex. Complications may include downstream or upstream flow requirements, environmental standards, water rights considerations and linkages with other hydro resources. It follows that models used by scheduling coordinators to optimize these resources may also be complex to the point that it is unrealistic, or potentially impossible, for ISO pricing models to capture the actual requirements for these resources to run. Such resources may not fit a use limited model."

An integrated water and power delivery system such as the State Water Project (SWP) has unique operational characteristics with the result that capacity counting based on historical data may not represent the true availability in an operating month. The SWP has its own capacity availability forecast based on water delivery needs, hydrology and several environmental constraints. The SWP's unique statutory and regulatory obligations are represented in CDWR's LRA resource counting criteria, as permitted under the CAISO Tariff. Where there is a unique resource system that is not susceptible to CAISO modeling, the corresponding LRA should be allowed to continue using its own capacity counting method, because the complexities and uncertainties inherent in determining a qualifying capacity (QC) forecast that are difficult, especially since they must represent current conditions rather than historical values.

CDWR supports providing an option to choose between the existing and the new method for counting hydro capacity under this initiative. This will address concerns arising from complications due to downstream or upstream flow requirements, environmental constraints, water rights considerations and linkages with other hydro resources, as well as uncertain hydrology. Under the existing method, an LRA for a unique integrated water and power system should be allowed to use its own counting method to calculate QC which may have higher capacity values and maybe subject to RAAIM as proposed by CAISO. The new method that is based on historical values would have to be vetted for true availability and its accuracy before applying in such a context.

4. **Additional comments**

Please offer any other feedback your organization would like to provide from the straw proposal and topics discussed during the web meeting.