



## Stakeholder Comments Template

### Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the Resource Adequacy Enhancements fourth revised straw proposal that was published on March 17, 2020. 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](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **April 14, 2020**.

Submitted by	Organization	Date Submitted
<i>(submitter name and phone number)</i> Mohan Niroula <a href="mailto:Mohan.niroula@water.ca.gov">Mohan.niroula@water.ca.gov</a> 916	<i>(organization name)</i> CDWR	<i>(date)</i> 4/14/2020

**Please provide your organization's overall position on the RA Enhancements fourth revised straw proposal:**

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

**Please provide your organization's comments on the following issues and questions.**

#### 1. System Resource Adequacy

Please provide your organization's feedback on the System Resource Adequacy topic as described in section 4.1. Please explain your rationale and include examples if applicable.

- a. Please provide your organization's feedback on the System RA Showings and Sufficiency Testing topic as described in section 4.1.1. Please explain your rationale and include examples if applicable.

No comment.

- b. Please provide your organization's feedback on the Planned Outage Process Enhancements topic as described in section 4.1.2. Please explain your rationale and include examples if applicable.

Option 2 provides better flexibility for resources to plan outages. In addition to providing flexibility to schedule planned outages at any time of the year, Option 2 also provides resource owners the opportunity to substitute from their own resources.

If Option 1 is adopted, CDWR is concerned that the October 31 deadline restriction may negatively impact CDWR's need to have units available for flood control. CDWR and CAISO negotiated operating procedure OP3220A to allow CDWR to have outages for regulatory compliance, water delivery needs, and flood control requirements. Please confirm if Option 1 still honors OP3220A for CDWR to take outages at any time of the year, including any outages between June 1 - Oct 31.

- i. Please provide your organization's feedback on when bids should be submitted and how and when they could be changed under Option 2: CAISO procures all planned outage substitution capacity, and what are the implications of doing so under any proposed option.

A resource owner should be allowed to bid (price taker) to substitute for its planned outage. This will allow substitution of planned outages using an entity's own resource to minimize costs. Doing so would not, as the straw proposal suggests, allow an LSE to "avoid true market price risk" but rather would allow an LSE to hedge against that risk. So long as there is no evidence of economic withholding, LSEs should be permitted to implement reasonable and appropriate hedging strategies.

- ii. Please provide your organization's feedback on whether or not the Planned Outage Substitution Capacity Bulletin Board is necessary and, if so, why given the effort to develop and maintain.

No comment.

- c. Please provide your organization's feedback on the RA Import Provisions topic as described in section 4.1.3. Please explain your rationale and include examples if applicable.

CDWR suggests adding the following on firm transmission requirement: The CAISO will require suppliers to deliver energy from designated physical resources over firm transmission rights or "etags for firm energy and firm transmission for contracts for energy and continuous capacity entitlements using the transmission system of source BA" to specified CAISO intertie points. There are contracts for energy and continuous capacity from physical

resources within the source BAA that predate CAISO tariff. These contracts do not necessarily identify explicit firm transmission contracts. However, these contracts provide continuous delivery of energy and capacity to the LSE inside CAISO using the source BA's transmission path. For example, there are power contracts signed in 1960s where the contract provides for import to CAISO using the supplier's (which now is a balancing authority area) transmission with a physical resource(s) identification for energy. The delivery of energy and capacity with etags for firm energy and firm transmission to CAISO BAA is provided over the source BAA's (that is also a transmission owner) transmission system that can be curtailed only in certain events such as installation of devices, maintenance, and uncontrollable forces. CDWR believes these existing contract provisions for transmission provide appropriate level of firm transmission rights. Such contracts should be eligible to supply import RA.

## 2. Backstop Capacity Procurement Provisions

Please provide your organization's feedback on the Backstop Capacity Procurement Provisions topic as described in section 4.2. Please explain your rationale and include examples if applicable.

- a. Please provide your organization's feedback on the Capacity Procurement Mechanism Modifications topic as described in section 4.2.1. Please explain your rationale and include examples if applicable.

No comment.

- b. Please provide your organization's feedback on the Making UCAP Designations topic as described in section 4.2.2. Please explain your rationale and include examples if applicable.

No comment.

- c. Please provide your organization's feedback on the Reliability Must-Run Modifications topic as described in section 4.2.3. Please explain your rationale and include examples if applicable.

No comment.

- i. Please provide your organization's feedback on an appropriate availability incentive design to apply to RMR resources after the removal of the RAIM tool.

No comment.

- d. Please provide your organization's feedback on the UCAP Deficiency Tool topic as described in section 4.2.4. Please explain your rationale and include examples if applicable.

No comment.

3. Please provide your organization's feedback on the implementation plan, including the proposed phases, the order these policies must roll out, and the feasibility of the proposed implementation schedule, as described in section 5. Please explain your rationale and include examples if applicable.

No comment.

4. Please provide your organization's feedback on the proposed decisional classification for this initiative as described in section 6. Please explain your rationale and include examples if applicable.

No comment.

### Additional comments

Please offer any other feedback your organization would like to provide on the Resource Adequacy Enhancements fourth revised straw proposal.

CDWR has provided its comments in the Day Ahead Market Enhancements<sup>1</sup> stakeholder process. CDWR requests that RA related comments under section 3 be addressed so that both the RA enhancement and DAM enhancement move forward in concert.

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<sup>1</sup> <http://www.caiso.com/InitiativeDocuments/CDWRComments-Day-AheadMarketEnhancements-StrawProposal.pdf>  
CDWR comments under section 3 (Bidding rules and offer obligations) of the comments template.