



Stakeholder Comments Template

Day-Ahead Market Enhancements (DAME) Initiative

This template has been created for submission of stakeholder comments on the revised straw proposal that was published on June 8, 2020. Materials related to this initiative can be found on the ISO website at: <http://www.caiso.com/StakeholderProcesses/Day-ahead-market-enhancements>.

Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on July 14, 2020.

Submitted by	Organization	Date Submitted
Shannon Eddy (shannon@consciousventuresgroup.com)	Large-scale Solar Association (LSA)	July 6, 2020
Rick Umoff (rumoff@seia.org)	Solar Energy Industries Association (SEIA)	

Please provide your organization's overall position on the DAME revised straw proposal:

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

Please provide written comments on each of the revised straw proposal topics listed below:

- 1. Updated market formulation:**
- 2. Accounting for energy offer cost in upward capacity procurement:**
- 3. Variable energy resources:**

LSA and SEIA very much appreciate the changes in the [Revised Straw Proposal](#) (Proposal) in response to their earlier comments on the [Straw Proposal](#), most notably: (1) Clarifying that VERs would have no Day Ahead (DA) Must-Offer Obligation (MOO); and (2) removing the complex Virtual Bidding requirements for VERs participating voluntarily in the DA Market, allowing them to use their own forecasts for scheduling and bidding.

Likewise, the conversation at the stakeholder meeting to discuss the Proposal was most educational. LSA and SEIA offer the additional input below in response to the meeting discussion.

Most of these comments relate to the ineligibility of VERs voluntarily participating in the DA market for upward capacity (Reliability Capacity Up (RCU) and Imbalance Reserve Up (IRU)) awards. The CAISO said at the meeting that this ineligibility was due to the possibility that VER Energy schedules (e.g., based on the resource or SC forecast) could exceed the CAISO forecast. Because the CAISO believes its own forecast to be the most accurate available (i.e., assuming that VERs would be incapable of generating above the CAISO forecast), awarding RCU/IRU to such resources would jeopardize system reliability, since they could not perform based on those awards.

LSA and SEIA acknowledge the CAISO's concerns but offer the following recommendations and supporting arguments for revising this position.

- **At a minimum, VERs should be eligible for RCU/IRU awards where energy schedules are below CAISO forecasts, up to the CAISO-forecasted output level.** The CAISO said at the meeting that this would not be possible, since (absent the CAISO entering its forecast for VERs as a schedule (as previously proposed), the system would not have the forecast information for each VER resource needed to make this determination.

LSA and SEIA maintain that, since the market software must be redesigned, and the earlier CAISO proposal had CAISO entering its forecast for each resource (so obviously the CAISO has the capability of doing so), the CAISO simply enter the forecasts as planned. The new market algorithms can make the comparison of the CAISO forecast to the VER Energy schedules and, where the latter is below the former, award RCU/IRU up to the former as dictated by market economics.

- **VERs should be eligible for RCU/IRU awards based on their own forecasts, where those forecasts are demonstrated to be accurate.** Beyond the above proposal to allow VERs to receive RCU/IRU awards based on the CAISO forecast, LSA and SEIA should allow for such awards based on VER forecasts when VER SCs comply with the current CAISO rules regarding forecast accuracy, i.e., when they can demonstrate that their forecasts are sufficiently accurate to meet CAISO standards.

The CAISO contends, and its proposals in this initiative assume, that its forecast for each resource is the most accurate, and thus the most reasonable assumption for market purposes. However, the CAISO has not provided any market information about the accuracy of its DA VER forecasts for individual resources to support this assumption. Before the CAISO issues a blanket prohibition against VER RCU/IRU awards based the assumed accuracy of its forecast, it should provide additional information about how accurate those forecasts actually are, especially where resources are using their own forecasts instead of the CAISO's (see below).

In fact, the CAISO currently allows (and would continue to allow, under the Proposal) individual VERs to submit DA Energy and upward Ancillary Services (A/S) schedules, and Real-Time (RT) Energy schedules, based on their own forecasts, even though this may result in Energy schedules and upward A/S awards above the CAISO forecast.

As described in the CAISO tariff excerpts below, the CAISO already has provisions to ensure VER forecast accuracy. Likewise, the tariff already contains provisions for A/S non-performance that could be applied to VER RCU/IRP awards. Thus, the CAISO should allow VERs voluntarily participating in the DA market to qualify for RCU/IRU awards based on their own forecasts, as long as those forecasts meet CAISO standards.

4.8.2.1.1 Use of Own Forecast

For purposes of participating in the CAISO Markets, Eligible Intermittent Resource may opt to use their own forecast of their resource's output, and not use the forecast of their output provided by the CAISO, only to the extent the CAISO has certified that the Eligible Intermittent Resource has completed the certification requirements specified in the Business Practice Manuals.

For purposes of participating in the CAISO Markets, Participating Intermittent Resources may opt to use their own output forecast if they are certified to do so by the CAISO pursuant to the rules specified in the Business Practice Manuals, in which case: (1) the resource will retain its status as a Participating Intermittent Resource; (2) the CAISO will not submit the updated output forecast for that resource through the Real-Time Market; and (3) the resource will be subject to the same requirements that apply to Eligible Intermittent Resource that use their own output forecast as specified in the CAISO Tariff.

30. Bid and Self-Schedule Submission in California ISO Markets

30.5 Bidding Rules

30.5.1 General Bidding Rules

(r) A Scheduling Coordinator can use either the CAISO forecast for Expected Energy in the RTM or can provide its own forecast for Expected Energy pursuant to the requirements specified in Section 4.8.2.

- 4. Market power mitigation for reliability capacity and imbalance reserves:**
- 5. Please include additional comments including considerations for other possible solutions or concerns to any of the above topics:**