



## 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 7, 2020**.

Submitted by	Organization	Date Submitted
<i>Sandeep Arora 916.850.5817</i>	<i>LS Power</i>	<i>4/14/20</i>

**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.

*LS Power generally supports CAISO proposal on this however seeks additional information on cost allocation related to meeting any identified RA capacity deficiencies. Discussion on this topic at future stakeholder meetings would help address this.*

- 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.
  - 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.
  - 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 comments at this time.*

- 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.

*CAISO proposes to require all import RA supply provide specification of the physical sources backing resource adequacy import showings. This requirement is proposed to apply to all RA import resources shown on annual and monthly RA and Supply plans. To count as resource adequacy, all import RA supply must provide a source specification at the time of showings. Source specification means that the resource adequacy importer must provide specification of either the specific unit, aggregation of units, or the source balancing authority area. This requirement will ensure that importers truly have capacity in excess of their existing commitments. LS Power supports this requirement & believes it is essential so that the imports are treated on par with in state RA resources. Further, it is appropriate to require delivery of all RA import energy to the CAISO balancing authority area boundary via firm transmission. Absent this, if the transmission becomes unavailable, the import RA resource could get stranded and not being able to be dispatched by CAISO when needed thereby defeating the very purpose of procuring RA capacity.*

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

*We seek clarification on this element of CAISO proposal. CAISO is proposing a new tool, called the UCAP deficiency tool, which will impose deficiency charges. It appears CAISO intends to impose this charge on entities with deficient UCAP showings. However few references in this section of the proposal, such as one cited below, lead the reader to believe that these charges will be imposed on resources, not entities. We recommend CAISO clarify this in next iteration of the*

*proposal “The concept of the UCAP deficiency tool is to apply a charge to resources that show less than their UCAP requirement, and distribute those collected charges to resources showing above their requirements”*

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 comments at this time.*

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 comments at this time.*

### **Additional comments**

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

*While this iteration of CAISO straw proposal did not discuss the details of implementing UCAP methodology, LS Power would like to re-iterate its comments from Jan 2020 on UCAP for new technology resources, so CAISO can consider these while developing the details of UCAP methodology. UCAP for newer technology resources, such as Battery storage, should not be based on historical forced outage rates for same technology resources. The limited amount of battery storage capacity that is currently in service, is not that large of a sample to establish UCAP for new battery storage resources. In addition, some of the early battery storage installations were “pilot/test” projects deployed to prove the technology. A few of these may not even be actively participating in CAISO markets. Using this limited sample will not accurately reflect the improving performance of new installations & UCAP for new resources could be unnecessarily penalized due to the performance of the existing resources if this methodology was used. Further by artificially reducing UCAP for new installations based on class average, CAISO may be inadvertently requiring LSEs to procure more RA capacity than it needs which will lead to increased cost to be borne by ratepayers. LS Power proposes that for the first full year of its operation the UCAPs for battery projects be set equal to the resource’s NQC. The data for first operational year for these resources should be then utilized to develop UCAP for future years.*

