



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. Submissions are requested by close of business on **April 7, 2020**.

Submitted by	Organization	Date Submitted
<i>Grant Rosenblum (530) 219-1232</i>	<i>NextEra Energy Resources, LLC</i>	<i>April 14, 2020</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.

NextEra Energy Resources, LLC (NextEra) supports the CAISO's efforts to develop a portfolio deficiency assessment to ensure the resource adequacy portfolio collectively

procured by LSEs, which is increasingly reliant on energy and availability-limited resources, is adequate to serve load under various conditions during all hours of the day. NextEra supports the use of a stochastic, rather than deterministic, model for this purpose. NextEra further appreciates the complexity of defining the reliability criteria that would trigger a collective deficiency. NextEra generally supports a loss of load expectation approach and recommends that the CAISO's next iteration include consideration of such an approach. NextEra notes, however, that apart from the specific NERC reliability standards assigned to the CAISO in its various functional roles, the level of reliability expected from the electric system has been historically a matter primarily assigned to Local Regulatory Authorities (LRAs), such as the CPUC and municipal utilities. NextEra therefore believes it is critical and appropriate to ensure close collaboration with LRAs in developing the ultimate reliability criteria and how that criteria and assessment coordinates with other existing metrics utilized in the resource adequacy construct, such as the Minimum Cumulative Capacity buckets. Further, with regard to NERC standards, NextEra suggests, to the extent practical and recognizing the operational nature of the requirement, that the deficiency assessment also consider system-wide issues associated with primary frequency response under various conditions consistent with BAL-003-1.1 standards.

- 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.

NextEra strongly urges the CAISO to adopt Option 1. Option 1 has the salutary qualities of simplicity and properly assigning the risk/responsibility for substitution to load serving entities that are best able to manage the capacity substitution requirements at least cost to California consumers. While Option 1 increases the planning reserve target during off-peak months, given that a significant quantity of the resource adequacy capacity procured by LSEs is done on an annual basis, the actual increase in procurement and associated cost will be considerably less than the nominal increase in the planning reserve margin. And given that much of the substitute capacity currently used in the replacement market comes from this pool of resources, it rationalizes the market and regulatory structure. For these reasons and those cited by the CAISO, NextEra supports Option 1 and further notes that since planned outages are within its jurisdiction, this change to planning reserve margins can be implemented exclusively through the CAISO tariff if necessary. However, coordination with LRAs would be preferred to ensure the increase in the off-peak planning reserve market is properly allocated to each LSE consistent with that entity's underlying resource adequacy responsibility.

- 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.

NextEra recommends the CAISO not proceed with further development of Option 2.

- 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.

NextEra does not believe that a bulletin board would be necessary under Option 1.

- 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.

NextEra has no comments at this time.

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.

NextEra generally supports the CAISO's proposal to extend its CPM authority as set forth in section 4.2, including the development of a proposed UCAP Deficiency Tool to discourage LSE leaning.

- 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.
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.

NextEra has no comments on the implementation plan 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.

NextEra has no comments on the decisional classification 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.