



Stakeholder Comments Template

Resource Adequacy Enhancement Initiative: Second Revised Straw Proposal

This template has been created for submission of stakeholder comments on the **Resource Adequacy Enhancements Initiative, Second Revised Straw Proposal** that was held on October 9, 2019.

Submitted by	Organization	Date Submitted
<i>Lea Fisher, 541-231-5019</i>	<i>Public Generating Pool</i>	<i>October 24, 2019</i>

Please provide your organization’s comments on the following topics. When applicable, please indicate your organization’s position on the topics below (Support, Support with caveats, Oppose, or Oppose with caveats). Please provide examples and support for your positions in your responses.

Public Generating Pool (PGP¹) appreciates the opportunity to comment on the California ISO’s Resource Adequacy Enhancements Second Revised Straw Proposal dated October 3, 2019.

System Resource Adequacy

1. Determining System RA Requirements

Please provide your organization’s feedback on the System RA Requirements proposal as described in the second revised straw proposal.

[No comments.](#)

2. Forced Outage Rates Data and RA Capacity Counting

Please provide your organization’s feedback on the Forced Outage Rates and RA Capacity Counting and Forced Outage Rate Data topics as described in the second revised straw proposal.

¹ PGP represents eleven consumer-owned utilities in Washington and Oregon that own almost 8,000 MW of generation, 97% of which is carbon free with approximately 7,000 MW of which is hydro. Four of the PGP members operate their own balancing authority areas (BAAs), while the remaining members have service territories within the Bonneville Power Administration (BPA) BAA. As a group, PGP members also purchase over 45% of BPA’s preference power.

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PGP supports CAISO's proposal to develop new resource adequacy (RA) counting rules that account for the probability of forced outages. When CAISO's RA program was developed, the estimated forced outage rate for RA resources was 4-6% of the 15% planning reserve margin. CAISO's analysis of a six month period in 2018 indicates forced outage rates far exceeding these values, up to and even exceeding 15% at times. This analysis highlights and supports the need for RA counting rules that incorporate the probability of forced outages. CAISO's proposal to focus on the use of both GADS and OMS data as a means to calculate forced outage rates as it transitions to a unforced capacity requirement (UCAP) appears reasonable. PGP looks forward to feedback from other stakeholders on the details regarding the best data to rely on and how to best calculate a forced outage rate.

3. Proposed Forced Outage Rate Assessment Interval

Please provide your organization's feedback on the Proposed Forced Outage Rate Assessment Interval topic as described in the second revised straw proposal.

No comments.

4. System RA Showings and Sufficiency Testing

Please provide your organization's feedback on the System RA Showings and Sufficiency Testing proposal as described in the second revised straw proposal.

No comments.

5. Must Offer Obligation and Bid Insertion Modifications

Please provide your organization's feedback on the Must Offer Obligation and Bid Insertion Modifications proposal as described in the second revised straw proposal.

No comments.

6. Planned Outage Process Enhancements

Please provide your organization's feedback on the Planned Outage Process Enhancements proposal as described in the second revised straw proposal.

No comments.

7. RA Imports Provisions

Please provide your organization's feedback on the RA Imports Provisions proposal as described in the second revised straw proposal.

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PGP continues to support CAISO's proposal to require specification of the source BA for all RA imports. This approach should enhance CAISO's ability to identify import RA resources not backed by physical supply and transmission. Further, it will help ensure that resources outside CAISO's BA are not double-counted for meeting resource sufficiency requirements, which will be increasingly important as CAISO considers extending the day-ahead market to EIM entities.

Flexible Resource Adequacy

8. Identifying Flexible Capacity Needs and Requirements

Please provide your organization's feedback on the Identifying Flexible Capacity Needs and Requirements topic as described in the second revised straw proposal.

PGP supports CAISO's new flexible RA proposal that is explicitly linked to the uncertainty between the day-ahead and fifteen minute markets. Instead of the previously proposed three new products that focused on CAISO's three and one hour ramping and uncertainty requirements, CAISO now proposes that one product will meet the flexible capacity needs and requirements. CAISO believes that three products are no longer necessary because day-ahead market commitments will be able to meet its more predictable three and one hour ramping needs. In addition, imports that are 15 minute dispatchable will be eligible to provide the new flexible RA product.

PGP supports aligning the new flexible RA product with the proposed imbalance reserve product in DAME. In addition, PGP believes that the new proposal is more equitable and appropriate as external resources are equally eligible to participate as internal resources, whereas the prior proposal excluded external resources from providing the uncertainty flexible RA requirement.

However, we note that the clarified import RA rules adopted by the CPUC at its October 10 meeting appear to be in conflict with CAISO's flexible RA requirements. The CPUC's adopted import RA rules require import RA resources to self-schedule energy for the hours identified in the contract, whereas the CAISO requires that flexible RA resources be economically bid into CAISO's day-ahead market. This conflict needs to be addressed and the resolution should consider the importance and value of the ability of external flexible supply to participate in the CAISO BA.

9. Setting Flexible RA Requirements

Please provide your organization's feedback on the Setting Flexible RA Requirements topic as described in the second revised straw proposal.

PGP believes CAISO's proposal to use three years of historic data to determine both the maximum difference between the day-ahead and fifteen minute market forecasts and the rate that difference is changing is reasonable. PGP also supports CAISO's proposal to re-examine this practice and consider establishing the

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uncertainty need based on imbalance reserve procurements, once there is sufficient data from the proposed imbalance reserves product being established in the Day-Ahead Market Enhancements initiative.

10. Establishing Flexible RA Counting Rules: Effective Flexible Capacity Values and Eligibility

Please provide your organization's feedback on the Establishing Flexible RA Counting Rules: Effective Flexible Capacity Values and Eligibility topic as described in the second revised straw proposal.

PGP supports CAISO's approach to developing a single flexible RA product with consistent eligibility rules for both internal and external supply. For any resource to be eligible to provide flexible RA, the resource must: (1) Either be a non-use limited resource or a use-limited resource with a use limitation CAISO can model in its energy market or through an opportunity cost adder; (2) Not be a conditionally available resource; (3) be dispatchable in at least 15 minute increments (including imports); and (4) not be a regulation energy management resource. These requirements appear reasonable, but PGP agrees with CAISO that more work is necessary to determine the best way to account for energy limitations in eligibility criteria. PGP would also like more information on what use-limitations can be modeled by CAISO in its energy market or through an opportunity cost adder.

PGP also supports CAISO's proposed requirements that import resources must: (1) demonstrate that they have sufficient maximum import capability; (2) identify the BAA of origin; and (3) identify the interconnection point within the CAISO system.

11. Flexible RA Allocations, Showings, and Sufficiency Tests

Please provide your organization's feedback on the Flexible RA Allocations, Showings, and Sufficiency Tests topic as described in the second revised straw proposal.

No comments.

12. Flexible RA Must Offer Obligation Modifications

Please provide your organization's feedback on the Flexible RA Must Offer Obligation Modifications topic as described in the second revised straw proposal.

No comments.

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Local Resource Adequacy

13. UCAP for Local RA

Please provide your organization's feedback on the UCAP for Local RA topic as described in the second revised straw proposal.

No comments.

Additional comments

Please offer any other feedback your organization would like to provide on the RA Enhancements Initiative.

No comments.

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