



RAMPD Workshop Issue Paper Feedback and Straw Proposal Input

December 13, 2024

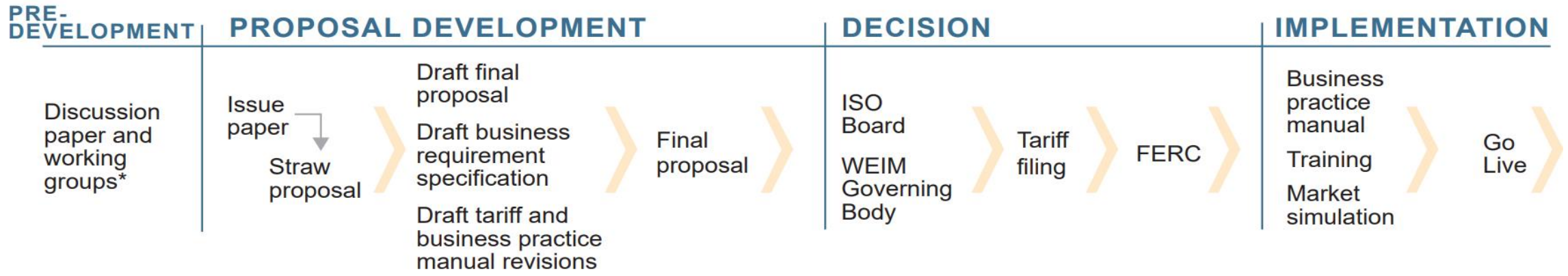
Housekeeping Reminders

- This call is being recorded for informational and convenience purposes only. Any related transcriptions should not be reprinted without ISO's permission.
- These collaborative working groups are intended to stimulate open dialogue and engage different perspectives.
- Please keep comments professional and respectful.

Instructions for raising your hand to ask a question

- If you are connected to audio through your computer, open the participant and chat panels on the bottom right.
- If you dialed in to the meeting, press *3 to raise your hand. 🖐️
- Please remember to state your name and affiliation before making your comment.
- You may also send your question via chat to all panelists.

Working Group in context



 Stakeholder input

**Discussion papers and working groups will be incorporated into the stakeholder process dependent on the nature of the initiative, and may not be necessary for all initiatives.*

This represents the typical process, and often stages run in parallel. Stakeholder meetings, working groups and workshops may occur throughout the stakeholder process.



Agenda

Time	Topic	Speaker
9:00-9:05 AM	Welcome	Partha Malvadkar
9:05-9:15 AM	Process Proposal	Anja Gilbert
9:15-11:45 AM	Review Feedback on Issue Paper and Seek Input on Straw Proposal Concepts	Partha Malvadkar Ansel Lundberg Anja Gilbert Hilary Staver
11:45-12:00 PM	Next Steps	Christina Guimera

Process Proposal: Straw Proposal Input Sessions

Weekly meetings to hear stakeholder proposals and co-develop ideas in advance of publishing straw proposals. Dates listed are the week of:

- 1/20: Visibility
- 1/27: Outage and substitution
- 2/3: Unit testing and UCAP
- 2/10: Track 1 modeling
- 2/17: RAAIM

End of February: Publish Visibility Straw Proposal

- 3/3: Outage and Substitution
- 3/10: Unit testing and UCAP
- 3/17: RAAIM
- 3/24: Energy sufficiency and backstop
- 3/31: Flex RA and MIC

End of April: Publish Track 1 and Track 2 Straw Proposal

Does your organization have feedback on this process to receive your input ahead of publishing straw proposals?

Track 1

MODELING, DEFAULT RULES, AND ACCREDITATION

Track 1: Modeling, Default Rules, and Accreditation

UNFORCED CAPACITY (UCAP) MECHANISM

Unforced Capacity (UCAP) Mechanism

Theme	Comments
Coordinate with CPUC	Many stakeholders support
Resource-specific	Many stakeholders support
Use of CAISO Outage Mgmt System (OMS) data	Support: DMM, IEP, PG&E, AReM
Don't double count outages in both PRM and UCAP	Cal CCA, PG&E, SDG&E
Thermal and storage (if other resources have ELCC or other statistical accreditation)	ACP-CA, IEP, WPTF
New resources	Class average: IEP Exempt first year: Calpine
Eliminate or revise RAAIM alongside UCAP	Support: many stakeholders Do not support: NCPA
Natures of work	Exclude <i>outside mgmt control</i> outages: PG&E, DMM
Alignment with default rules	WPTF, MRP
EFORd	Support exploration: PG&E Do not support: DMM

Possible Stakeholder Framework for UCAP

- To explore further with stakeholders in Q1 2025 in advance of straw proposal
 - Forced outage rate sourced from CAISO OMS data
 - Resource specific adjustment vs class average
 - Seasonality – monthly UCAP? on peak vs off peak?
 - Outage types & natures of work
 - Resource types: thermal, storage, all types that aren't subject to a performance or probabilistic QC methodology from LRA?
 - Ambient derate treatment
 - **Assessment hours: supply cushion %, weighting critical hours, etc.**
 - **CAISO NQC process**
- UCAP discussions will be weeks of Feb 3 and March 10 (see timeline slide)

Track 1: Modeling, Default Rules, and Accreditation

DEFAULT QC METHODOLOGY AND PLANNING RESERVE MARGIN

Default QC Methodology and Planning Reserve Margin

Theme	Comments
Align with CPUC methodology & assumptions	AReM, ACP-CA, CalCCA, PG&E, SDG&E Update default PRM on same cadence as CPUC: IEP, SDG&E, DMM
Support default rules based on ELCC	ACP-CA, DMM, Calpine, MRP, PG&E
Respect LRA jurisdiction over counting rules, PRM	NCPA, Six Cities, CDWR
Goal of harmonized BAA-wide counting rules based on 1 in 10 LOLE	CalCCA, MRP, PG&E, SDG&E, Sunrise

Straw proposal: to be developed after Track 1 modeling workshop – Feb 10, 2025

Track 1: Modeling, Default Rules, and Accreditation

CAPABILITY TESTING FOR RA RESOURCES

Capability testing for RA resources

Theme	Comments
Coordination with UCAP	Design UCAP and, if separate, testing program for accounting for ambient derates, together: CalCCA, Sunrise Power, DMM Either/or: Calpine, IEP, MRP
Generator self-reporting of test data	Support: DMM, Calpine, PG&E, WPTF

- Benchmarking and Best Practices
- **Straw proposal:** to be developed alongside UCAP

Track 2: Outage and Substitution and Availability and Incentive Mechanisms

OUTAGE AND SUBSTITUTION

Commonalties in Comments

- Less burdensome and more efficient processes are necessary to allow generators to take maintenance when needed
- More information is needed on the impacts of adding an “urgent” outage type
- Coordinate any outage definitions with UCAP

Definitions Feedback

Theme	Comments
“Urgent” outage	Support: DMM Provide more detail: ACP, IEP, MRP, SD&GE, Six Cities, SCE
Consider new outage types	Consider if Participating Load needs its own outage type: CDWR New outage types in certain months (winter/spring): ACP Long Notice Opportunity Outage: ACP Medium Notice Opportunity Outage: NCPA Advanced Notice Forced Outage: NCPA
Like-for-like, using marginal ELCC for substitution	Like-for-like should not be limited to outage and substitution: DMM Use marginal ELCC for like-for-like substitution: Calpine More fully incorporate SOD: Calpine, SCE
Other	Align definitions and nature of work cards with UCAP: CalCCA Revisit bid insertion: CalCCA Base definitions on reason, not dates: Six Cities, SCE Align with Western Interconnect: Sunrise Power

Possible Stakeholder Framework for Definitions

- Provide more clarity on urgent outage type, its interaction with “forced” and “planned” outages, as well as discuss other outage types proposed
 - Tie with UCAP and indicate the impact for each outage and nature of work type
- Continue to explore using a marginal ELCC to value like-for-like substitution
- Revisit bid insertion rules

Process Feedback

Theme	Comments
Replace w/ Performance Incentives	Supports exploration: CalCCA, PG&E
Buffer	Supports: CESA, IEP, MRP, Sunrise Opposed: AES, CalCCA, DMM, Calpine, PG&E, SDG&E, Six Cities, SCE
Pool	Supports: AES, DMM (reverse second price auction), CalCCA, MRP, PG&E, Six Cities, Sunrise Neutral: Calpine, SDG&E
Annual/Seasonal Showings	Supports: MRP Opposes: CalCCA, CDWR, DMM, PG&E
Rollback to POSO	Opposes: DMM, PG&E
Combination Recommendation	Remove substitution requirement when there is not a reliability risk: ACP, IEP; base reliability risk on monthly LOLE (MRP) Allow any planned outage to be taken that doesn't result in a reliability risk, and if it does, procure from either a pool (CalCCA, DMM) OR CPM (MRP)
Other	Enhance planned outage studies (NCPA) Update objectives (PG&E)

Possible Stakeholder Framework for Outage and Substitution Process

- Update objectives to respond to PG&E's feedback
- Explore if there is sufficient surplus to allow conditional approval of planned outages without substitution (e.g., the RA requirement is met)
- If taking a planned outage would result in a reliability impact, procure from a pool. A straw proposal could further explore:
 - How supply can be made available
 - How supply can be procured
 - How to prioritize access

Track 2: Outage and Substitution and Availability and Incentive Mechanisms

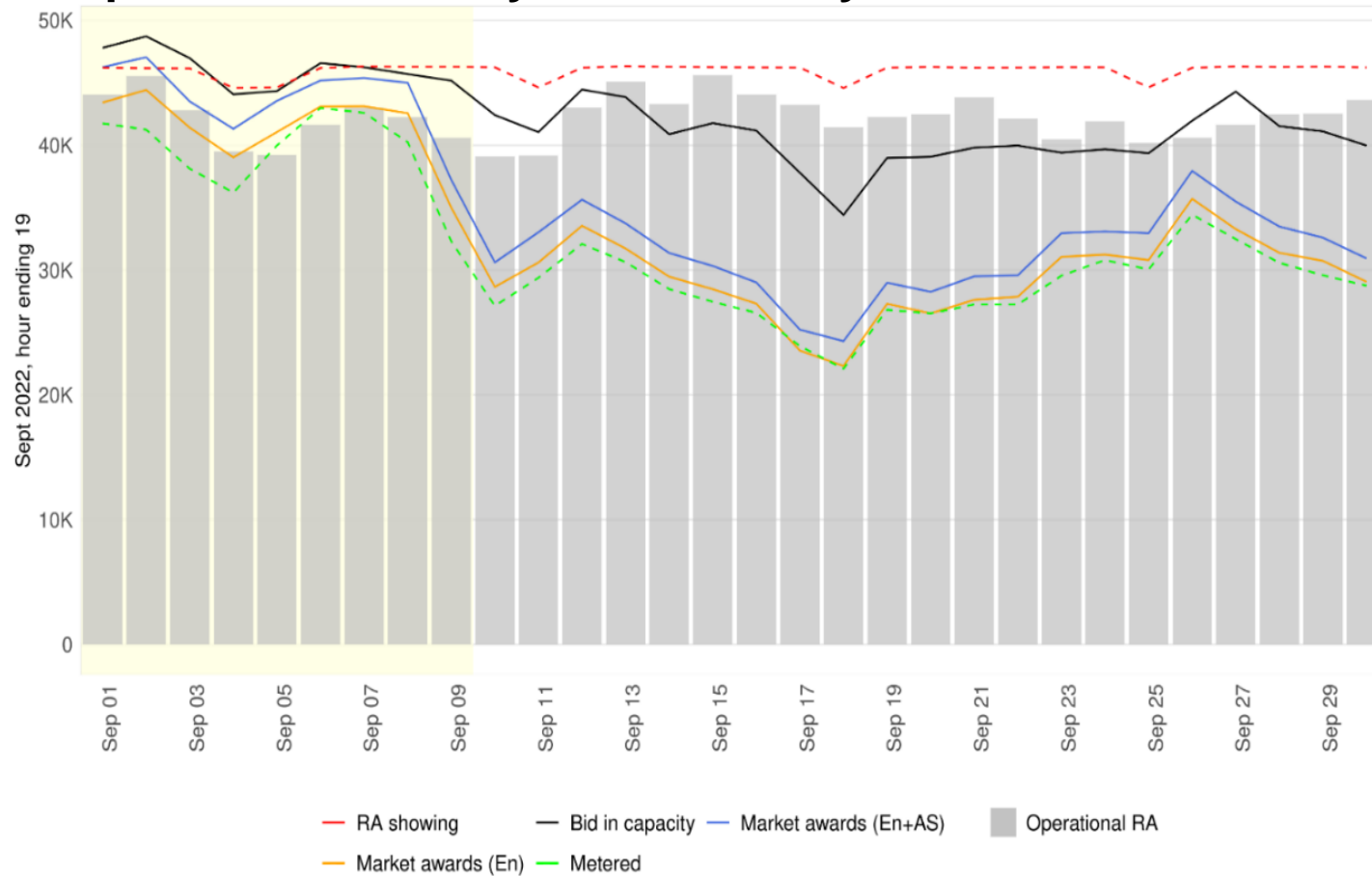
RAAIM REFORM

Commonalities in Comments

- No support for keeping today's RAIM, with the exception of the MOO requirements
- Recognition there is value in a standardized approach for availability and incentive mechanisms, with exceptions when an LRA/LSE has tariff/contract provisions
- Interaction with UCAP

Discussion: Capturing Availability

**Issue Paper Figure 12:
September 2022 Daily RA Availability and Performance**



- **Supply Cushion UCAP:** Measures availability based on outage data (delta between red line and grey bar)
- **Today's RAIM:** Measures availability based on MOO (delta between red line and black line)
- **Dispatch performance incentive:** Could measure availability based on meeting market award (delta between blue/orange line and green line)

Availability and Performance Comments

Theme	Comments
General tradeoff comments	Balance but lean towards incentives: AES Tie with scarcity conditions: Six Cities, DMM
LRA/LSE vs. CAISO	LRA/LSE: Depends on contract: MRP <ul style="list-style-type: none"> - DR focus: CEDMC, Renew Home - Eliminate crediting IOU DR: CEDMC CAISO: CDWR, Six Cities, SCE
UCAP RAAIM Interaction	Develop UCAP first before assessing what RAAIM reforms are necessary: AReM, SDG&E Remove RAAIM in light of UCAP (IEP; Sunrise); remove with PCAP ELCC framework (MRP) Develop two proposals: LRA with UCAP/LRA without UCAP: PG&E
Reform Existing RAAIM if you keep it	Support: DMM, MRP, Six Cities Other: opposes aligning penalty with bilateral market: NCPA
PFP	Support: DMM Support exploration: CalCCA, PG&E, SCE Feedback: Unclear on application in CAISO markets (Calpine, MRP); define problem statement (IEP); consider graduated Operating Reserve Demand Curve (Sunrise)
Move to Scarcity Pricing	Support: Calpine, ACP, IEP, Sunrise Oppose: DMM

Other Availability and Performance Comments

- Overall:
 - RAAIM is sufficient (NCPA)
- MOO specific comments:
 - Keep RAAIM's MOO requirements (MRP)
 - Provisionally remove RAAIM and assess if there is an impact to MOO (Six Cities)
 - Penalize supply that doesn't meet their MOO to procure pool capacity (Six Cities)
- Application:
 - Limit application to resources that are needed + substitute capacity (Six Cities)
- Analysis:
 - Analyze which generators are gaming RAAIM (NCPA)
 - Analyze forward cost impact to generators under various options (SCE)

Possible Stakeholder Framework for Availability and Performance

- Evolve the CAISO's performance and availability tool to incent availability and performance. Target scarcity conditions to assess which resources met their MOO and to incent additional capacity to be available:
 - Application:
 - Short Term: RMO/EEA
 - Long Term: EDAM RSE: procure cure capacity or pay penalties for shortfall
 - Graduated reward/penalty depending on level of scarcity
 - Available to non-RA capacity that makes itself available during scarce conditions

Track 3:

VISIBILITY

Visibility Feedback

- **Feedback on impediments to showing all contracted capacity as RA or offering it into the CSP**
 - CPM designation is less likely during non-summer months so there is less incentive to bid into the CSP – MRP, IEP
 - Soft offer cap is uncompetitive compared to monthly pricing in bilateral market, reducing incentive to bid into the CSP – MRP
 - MOO and RAAIM exposure – NCPA, PG&E, Six Cities, SCE
 - CPM terms not granular enough to capture capacity available for less than two months – PG&E
- **Feedback on new structures and processes for promoting visibility into non-shown capacity status**
 - Useful to have visibility into where capacity is going to identify potential CPM capacity– CalCCA, SCE
 - Coordinate with WRAP to better understand where across the West capacity is being committed – CalCCA
 - Month-ahead plan requirements for exports – IEP, MRP
 - Credited DR is a visibility issue, need to resolve discrepancies with LRA RA programs – AREM, California Efficiency + Demand Management Council
 - Support new reporting as long as it doesn't come with any new availability requirements – Six Cities
 - CAISO already has visibility into these resource categories – NCPA
 - Enable showing resources on RA plans for partial months – Six Cities
 - Combine/synchronize the pool and the CSP – Six Cities

Straw Proposal

- Monthly reporting requirements for capacity not shown as RA
 - Sold outside the CAISO BAA
 - Held for substitution
 - Held for anticipated outages
 - Not contracted
 - Contracted but not needed to meet LSE's requirement
- Implementation platform/process will need to be determined

Track 3:

BACKSTOP

Energy Sufficiency/Net Peak Check Feedback

Theme	Comments
Open to assessing options for a net peak check	Calpine, DMM, MRP, PG&E, Six Cities, SCE
Open to assessing options for a system energy sufficiency check	AReM, DMM, MRP, PG&E, SCE
Concerned with how a CAISO approach to energy sufficiency would overlap with LRA energy sufficiency approaches such as SOD and the implications for CPM cost allocation	AReM, CalCCA
Does not currently see a demonstrated need for a system energy sufficiency check	Calpine, CESA, WPTF
Supports neither a net peak check nor an energy sufficiency check	NCPA
Could assess challenges associated with using an SOD framework for addressing energy sufficiency	PG&E, SCE

Backstop Feedback Continued

Theme	Comments
Soft Offer Cap Methodology Change	<ul style="list-style-type: none"> - None needed – CalCCA - Monthly shaping of soft offer cap – IEP - Need more analysis into causes of CSP offer decline – MRP - Soft offer cap should be structured to attract imports – Calpine
EDAM RSE Failure Surcharge Allocation	<ul style="list-style-type: none"> - Support for and no opposition to a cost-based approach but would need to address various design and implementation issues
New Capacity Products	<ul style="list-style-type: none"> - Concern or little interest at this time, in some cases encouragement to wait until after EDAM launch – Sunrise Power Company, LLC, Six Cities, SCE, SDG&E, PG&E, AReM - Interested in CAISO providing entity-specific bid quantity targets – PG&E
9 am Day Ahead Bidding Deadline	<ul style="list-style-type: none"> - Does not oppose at this time – CDWR, Renew Home, Six Cities, SCE - Opposed to a 9 am deadline – NCPA, SDG&E - No current position but open to further discussion – MRP, Sunrise Power Company, LLC

Next Steps

- No comments due in response to the December 13, 2024 meeting.
- Please provide any remaining verbal feedback or follow up over email on the plan for subject-specific meetings to co-develop the straw proposal.
- Please contact Track leads if you would like to present at a future meeting.

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