



## 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. The meeting material and other information related to this initiative may be found on the initiative webpage at:

<http://www.caiso.com/informed/Pages/StakeholderProcesses/ResourceAdequacyEnhancements.aspx>

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on October 24, 2019.

Submitted by	Organization	Date Submitted
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**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.**

SMUD appreciates the opportunity to provide comments and input on the CAISO’s Resource Adequacy Enhancements Initiative, Second Revised Straw Proposal (Proposal). SMUD is an active market participant in the CAISO’s Day Ahead and Real-time Market, including the Energy Imbalance Market. We are situated in the Balancing of Authority of Northern California (BANC), and have robust interties with the CAISO grid, which we use frequently to import and export power. This provides SMUD the potential to import RA to the CAISO. SMUD also has a number of resources inside the CAISO footprint which could provide RA as well. Accordingly, we have a direct interest in this initiative.

## **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 comment*

### **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.

*No comment*

### **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 comment*

### **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 comment*

### **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 comment*

### **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 comment*

### **7. RA Imports Provisions**

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

*As a general comment, SMUD recognizes the CAISO is faced with potential capacity shortfalls in the near-term and CAISO will need to rely on import RA more and more. SMUD therefore urges the CAISO not to adopt rules that are too restrictive or burdensome. Overly restrictive rules could discourage RA resources outside of the CAISO from participating in the market. In addition, to the extent the CAISO desires to adopt tariff changes to align with the CPUC orders/rules, this may be redundant and unnecessary if the CPUC order/rule applies to participants in the CAISO market regardless of CAISO tariff provisions.*

The CPUC already verifies submitted RA Plans for their adopted rules in concurrent filings. Mirroring this via the CAISO tariff just places additional administrative burden on both the LSE and CAISO.

Specific issues:

- The CAISO's proposal to require the actual physical delivery may be a step too far as this could have unintended consequences in the market. RA actual physical delivery would require a resource to self-schedule to ensure the market dispatches the unit for delivery, whether or not the market actually needs the energy at that time. This could skew market prices and limit import supply of the very resources the CAISO needs, which ultimately increases costs for consumers. In fact, the CAISO has raised this same concern in the CPUC's RA proceeding (Docket R.17-09-020). Requiring delivery of energy where it may not be needed could also have an adverse affect on grid GHG emissions by forcing curtailment of renewables and displacing with unknown resources.
  
- SMUD supports the proposal to identify the source BA, but the CAISO should not require identifying the specific resource as is suggested by some stakeholders. Not all BAs are mapped and set-up to identify specific resources for import to the CAISO. This also reduces suppliers' flexibility with replacing or substituting resources from their portfolio, making potential suppliers reluctant to provide capacity. Requiring specific resource identification would likely limit import supply.
  
- The CAISO proposes to prohibit RA import resources from submitting block-bids or self-schedules greater than one hour. It is not clear why the CAISO is proposing this change and what problem it is intended to fix. If scheduling rules unreasonably limit flexibility, external resources may decide to seek other markets or counterparties.
  
- SMUD supports the CAISO's decision to separate out the Maximum Import Capability (MIC) provisions into a separate initiative. While the MIC is an important issue that should be prioritized, the CAISO should still ensure it provides adequate time to develop and vet policies around this issue.

**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.

No comment

## 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.

*No comment*

## 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.

*No comment*

## 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 comment*

## 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 comment*

## 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 comment*

## Additional comments

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

*The CAISO has identified three main inter-related initiatives – Extended Day Ahead Market (EDAM), Day Ahead Market Enhancements (DAME), and RA Enhancements – that it will coordinate and launch together.*

*SMUD notes that it has observed potential inconsistencies between the proposed Spring 2022 launch date of EDAM and the EDAM timeframe mentioned in other initiatives. The RA Enhancements initiative references EDAM beginning in Fall of 2021. The DAME initiative references the Fall of 2021 as well. It is quite clear from the actual EDAM schedule that it will be 2022, at the earliest. This should be made consistent.*