



Stakeholder Comments Template

Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the Resource Adequacy Enhancements working group on June 10, 2020. The stakeholder call 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 **June 24, 2020**.

Submitted by	Organization	Date Submitted
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SMUD appreciates the opportunity to provide comments and input on the CAISO's Resource Adequacy Enhancements working group on June 10, 2020. 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) Balancing Authority (BA) and have robust interties with the CAISO grid, which we use frequently to import and export power. This provides SMUD the potential to provide import Resource Adequacy (RA) to the CAISO market. SMUD also has resources inside the CAISO footprint which could provide RA as well. In addition, SMUD purchases RA for a community choice aggregator. Accordingly, we have a direct interest in this initiative.

SMUD's comments below focus on the transition to the UCAP paradigm. SMUD takes no position at this time with respect to the other issues and reserves the right to provide additional comments at a later time.

Please provide your organization's comments on the following issues and questions.

1. Production Simulation: Determining UCAP Needs and Portfolio Assessment

Please provide your organization's feedback on the Production simulation: Determining UCAP needs and portfolio assessment topic as described in slides 4-15. Please explain your rationale and include examples if applicable.

2. Transitioning to UCAP Paradigm

Please provide your organization's feedback on the transitioning to UCAP paradigm topic as described in slides 16-19. Please explain your rationale and include examples if applicable.

The CAISO proposes to switch to the UCAP paradigm for the 2023 RA year. SMUD does not support transitioning in 2023 because many LSEs have already procured local RA three years out, through 2023, in response to the CPUC's decision (D.19-02-022). The change to UCAP, whether under option 1 or option 2 in slides 17 and 18 of the presentation, will require changes to many of the contracts with the resource suppliers and result in RA shortfalls for LSEs. LSEs will then need to procure additional RA to make up this shortfall to meet their RA obligations. As explained below, we instead propose postponing the transition by a year or more to allow a smoother transition to the UCAP paradigm.

The CAISO should instead launch the UCAP paradigm in 2024, recognizing the impact the CAISO's change would have on existing contracts and RA planning for LSEs. Moreover, a 2024 launch date keeps the CAISO consistent with the CPUC's new rules, avoiding regulatory conflict at a time when the CAISO's goal is to coordinate better with the CPUC. Any potential reliability implications of delaying the launch one year is mitigated by the other initiatives to improve RA, including, but not limited to, the CAISO's Maximum Import Capability initiative, other components of the RA Enhancements initiative, the CPUC's RA procurement mandate (D.19-11-016), and the central buyer program (D.20-06-002).

3. Unforced Capacity Evaluations

Please provide your organization's feedback on the unforced capacity evaluations topic as described in slides 20-59. Please explain your rationale and include examples if applicable.

- a. Please provide your organization's feedback on the UCAP methodology: Seasonal availability factors topic as described in slides 27-46. Please explain your rationale and include examples if applicable.
- b. Please provide your organization's feedback on the UCAP methodologies for non-conventional generators topic as described in slides 47-59. Please explain your rationale and include examples if applicable.

Additional comments

Please offer any other feedback your organization would like to provide on the Resource Adequacy Enhancements working group discussion.