



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
Ravi Sankaran	Southwestern Power Group	<i>April 13, 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.

SWPG has no comment on this element of the proposal.

- 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.

SWPG has no comment on this element of the proposal.

- 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.
- 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.
- 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.

SWPG is developing the SunZia Transmission Project to deliver New Mexico wind energy for import into the CAISO. SWPG and its partner, Pattern Energy, will deliver energy and RA from Pattern's wind projects via Dynamic Transfer agreements.

SWPG agrees in principle with the need for Resource Specific RA import requirements subject to a couple clarifications:

- First, SWPG asks for the CAISO to please confirm that Dynamic Transfers will be considered as "firm" for the purposes of this proposal.
- Second, SWPG requests that the CAISO consider whether Variable Energy Resources (VERs) might appropriately be excluded from real-time (RT) must-offer requirements, since VER resources are not dispatchable. While the CAISO's must offer requirement seems primarily focused on ensuring that supplies are available during times of tight supply, VER resources are not necessarily available during such shortage conditions and at times may produce during overgeneration periods. Exempting imported VER resources from the RT must offer requirement may allow VER operators and LSEs to better mitigate overgeneration by selling excess power off-system in the real-time markets if it is not beneficial to the CAISO after the day-ahead market. The ability to dispose of excess energy can both mitigate adverse cost impacts

for the LSEs and minimize the operation burdens which the CAISO might otherwise experience if the energy is delivered in real-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.

SWPG has no comment on this element of the proposal.

- 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 RAIM 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.

SWPG has no general objection to the timing of the import provisions (implementation by the year 2022). However, SWPG is interested to understand whether there will be any consideration given to the grandfathering of pre-existing RA contracts that generally meet the intent of new rules but may not be strictly complying given pre-existing contract terms. Some mechanism to request consideration for pre-existing contracts that predominantly meet the import rule intent would be beneficial. Without this, the RA provision for LSEs could be very costly, for example if LSEs are required to buy additional RA in addition to what they have paid for in the bundled contracts.

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.

SWPG has no position on the declassification to a CAISO Board-decision-only status.

Additional comments

Please offer any other feedback your organization would like to provide on the Resource Adequacy Enhancements fourth revised straw proposal.