



Stakeholder Comments Template

Resource Adequacy Enhancements

This template has been created for submission of stakeholder comments on the Resource Adequacy Enhancements fifth revised straw proposal that was published on July 7, 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 **August 7, 2020**.

Submitted by	Organization	Date Submitted
<i>Grant McDaniel (530)300-3562</i>	<i>Wellhead</i>	<i>08/07/2020</i>

General Comments:

Wellhead understands the argument for a UCAP is based on the following two principles:

- 1) To avoid forced outages, resource owners must be incentivized to maintain their resources.
- 2) Forced outages pose a risk to reliability and need to be planned for accordingly.

The CAISO's attempt to address these two principles with the same solution at times creates complexity and unduly burdens resource owners. In some areas the proposal is inherently unjust because it penalizes resources for circumstances outside of their control. For example, as discussed in 1b. below regarding Transmission Outages.

Please provide your organization's overall position on the RA Enhancements fifth revised straw proposal:

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

Wellhead understands the importance of adequate planning and is willing to consider supporting this proposal if the issues presented below are addressed, including but not limited to the establishment of a bright line regarding outage responsibility, and a dead-

band around resource UCAP. Wellhead also feels it is necessary to remove discussion of the minimum charge requirement (MCR) from this round of RA enhancements.

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 Determining System RA Requirements topic as described in section 4.1.1. Please explain your rationale and include examples if applicable.

Wellhead supports the CAISO's proposal to use the bottom-up approach, but believes that since the PRM has 4%-6% unforced outage rate baked in, that the UCAP program should account for this by employing a dead-band before UCAP is deducted from NQC.

- b. Please provide your organization's feedback on the Unforced Capacity Evaluations topic as described in section 4.1.2. Please explain your rationale and include examples if applicable.

Wellhead understands the CAISO's desire to align the outage types with those of the RC; however, with respect to the Urgent outage type, we note that there are 3 possible outcomes and that each would be treated differently:

1. Outcome 1 – An Urgent outage is requested, but the CAISO cannot accommodate, and the resource must take a Forced outage.
2. Outcome 2 – An Urgent outage is requested, and real time conditions allow the CAISO to accommodate.
3. Outcome 3 – An Urgent outage is requested, the CAISO cannot accommodate, but the resource is able to make it to the next available short-term opportunity outage window.

Each of these outcomes have clearly different impacts on system reliability. Wellhead recommends that Outcome 2 be assigned a 50% weighting.

Wellhead also understands CAISO needs to account for the reliability of the transmission system that a resource is tied to; however, clearly the resource has no control over the maintenance and operation of these systems. Therefore, CAISO should assign the current Forced Transmission outages to be cured in the Portfolio assessments. In this way, CAISO will account for the reliability, but will not directly penalize resources for something beyond their control.

- i. Please provide your organization's feedback on whether the ISO should establish a dead band around a resource's UCAP value given the associated benefits and burdens, as described in section 4.1.2. Please explain your rationale and include examples if applicable.

As noted above Wellhead believes that a deadband is appropriate. Current RA contracts are sold with an assumed value that incorporated the 4% to 6% forced outage rate contemplated by the PRM. Wellhead believes that maintaining the balance of benefits and burdens of all market participants is critical. An appropriate dead-band will ensure the reliability the CAISO requires without penalizing currently contracted resources.

- ii. Please provide your organization's feedback on Option 1 and Option 2 for calculating UCAP for new resources without three full years of operating history, as described in section 4.1.2. Please explain your rationale and include examples if applicable.

Wellhead supports Option 2; however, we believe that Year 1 should be 60% of the year zero performance and 40% NQC.

- iii. Please provide your organization's feedback on the ISO's approach to use the historical availability during the RAIM hours for years prior to 2019 and the historical availability during the 20% tightest supply cushion hours in years 2019 and beyond for hydro resources, as described in section 4.1.2. Please explain whether this approach is necessary or preferred to the standard UCAP calculation to reflect hydro availability.

Wellhead generally supports the CAISO proposal to use the historical availability during the 20% tightest supply cushion hours.

- iv. Please provide your organization's feedback on the modifications for UCAP counting rules for storage resources as described in section 4.1.2. Please explain your rationale and include examples if applicable.

Wellhead generally supports the UCAP counting rules for storage resources.

- c. Please provide your organization's feedback on the System RA Showing and Sufficiency Testing topic as described in section 4.1.3. Please explain your rationale and include examples if applicable.

[Wellhead supports the System RA Showing and Sufficiency Test](#)

- d. Please provide your organization's feedback on the Must Offer Obligation and Bid Insertion Modifications topic as described in section 4.1.4. Please explain your rationale and include examples if applicable.

- i. Please provide your organization's feedback on generally defining variations to the must offer obligations and bid insertion into the day-ahead market based on resources type, as described in Table 12 in section 4.1.4. Please explain your rationale and include examples if applicable.

[Wellhead supports the proposed MOO with alignment to the resource NQC](#)

- e. Please provide your organization's feedback on the Planned Outage Process Enhancements topic as described in section 4.1.5. Please explain your rationale and include examples if applicable.

[Wellhead supports the proposed Planned Outage Process Enhancements](#)

- f. Please provide your organization's feedback on the RA Import Requirements topic as described in section 4.1.6. Please explain your rationale and include examples if applicable.

- i. Please provide your organization's feedback on the issue of whether firm transmission service on the last line of interest to the CAISO BAA will ensure reliability and is feasible, or whether the CAISO should require point-to-point, source to sink firm transmission service as originally proposed, as described in section 4.1.6 page 68. Please explain your rationale and include examples if applicable.

[No comments at this time](#)

- ii. Please provide your organization's feedback on other BAA's systems bordering the CAISO and whether such a "last line of interest" proposal is feasible and would effectively support RA import capacity

dependability and deliverability, as described in section 4.1.6 page 68. Please explain your rationale and include examples if applicable.

No comments at this time

- iii. Please provide your organization's feedback on whether a non-compliance penalty or other enforcement actions are necessary if delivery is not made under firm transmission service, as described in section 4.1.6 page 69. Please explain your rationale and include examples if applicable.

No comments at this time

- iv. Please provide your organization's feedback on how to convey the last line of interest, as described in section 4.1.6 page 69. Please explain your rationale and include examples if applicable.

No comments at this time

- v. Please provide your organization's feedback on the options proposed in section 4.1.6 and any other potential mechanisms that would best ensure RA imports are dependable and deliverable if the CAISO were to adopt, as an alternative, a "last line of interest" firm transmission service requirement. Please explain your rationale and include examples if applicable.

No comments at this time

- g. Please provide your organization's feedback on the Operationalizing Storage Resources topic as described in section 4.1.7. Please explain your rationale and include examples if applicable.

Stakeholders have not had ample opportunity to provide input or discuss possible solutions to the problems that CAISO have identified. It is premature to include the minimum charge requirement in this proposal therefore it should be removed.

2. Flexible Resource Adequacy

Please provide your organization's feedback on the Flexible Resource Adequacy topic as described in section 4.2. Please explain your rationale and include examples if applicable.

Wellhead agrees that we need to wait for the DAME to be further developed

3. Local Resource Adequacy

Please provide your organization's feedback on the Local Resource Adequacy topic as described in section 4.3. Please explain your rationale and include examples if applicable.

- a. Please provide your organization's feedback on the UCAP in Local RA Studies topic as described in section 4.3.1. Please explain your rationale and include examples if applicable.

Wellhead supports the use of the CAISO's proposed TAC UCAP responsibility formulation.

4. Backstop Capacity Procurement Provisions

Please provide your organization's feedback on the Backstop Capacity Procurement Provisions topic as described in section 4.4. Please explain your rationale and include examples if applicable.

No comments at this time

Additional comments

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