



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 **July 30, 2020**.

Submitted by	Organization	Date Submitted
Mike Kline mkline@yubawater.org (530) 701-8479	Yuba County Water Agency (dba Yuba Water Agency)	August 7, 2020

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

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

Yuba Water Agency (YWA) appreciates the opportunity to provide comments to the CAISO's RA Enhancements Fifth Revised Straw Proposal.

YWA owns and operates the Yuba River Development Project (YRDP). The key features being New Bullards Bar Reservoir (approximately 966,000 acre-feet of storage) and Colgate Powerhouse (340 MW). This project also includes the Narrows 2 Powerhouse (55 MW) downstream which provides a relatively stable base flow that is varied periodically to meet environmental requirements and irrigation water delivery obligations. The YRDP plays a significant role in managing flood risk, in coordination with DWR and other State and local Agencies. YWA also owns and operates the Narrows 1 Project (12 MW) under a separate FERC license. The key missions of the Agency are Flood Risk Reduction, Water Delivery, Hydrogeneration, Fisheries Enhancement and Recreation.

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.

[No comments.](#)

- 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.

[Outage Definitions](#)

[Application of the "Urgent" Outage definition is unclear. If an Urgent Outage is counted against UCAP on the same basis as a Forced Outage, what is the intent or purpose for the Urgent designation? As presented, a resource may be flagged as Urgent when equipment and production is deemed at risk but still operational. If a resource is still producing though at risk, it doesn't seem like it should impact UCAP until off-line or if derated.](#)

- 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.

[No comments.](#)

- 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.

[No comments.](#)

- 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.

YWA is still evaluating the CAISO's proposed method for Hydro UCAP counting and appreciates the CAISO's support providing data and responding to questions to support our evaluation. YWA believes that the use of historic bids to arrive at UCAP should generally provide approximately the same result as the current practice to develop NQCs, except for the reduction of forced outage capacity.

YWA does not agree that transmission outages, outside the control of the generating resource including wildfire PSPS, should be included in the resources' UCAP counting. YWA appreciates the CAISO's position that transmission outages impact deliverability of capacity. However, including transmission outages in the resources' UCAP calculation degrades the generating resources' reliability showing without ability for the generator owner to improve the situation and will thus discourage investment in the resource to improve its reliability. It seems more appropriate to address transmission risk issues in the transmission planning process to incent appropriate transmission reliability upgrades.

- 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.

No comments.

- 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.

No comments.

- 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.

No comments.

- 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.

No comments.

- 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.

YWA is not in favor of Option 1 based on the Peak period defined to include October. Under this case, YWA would strongly prefer keeping the existing planned outage process but would request elimination of the regulatory risk associated with re-submitting planned outages as forced outages when substitute capacity cannot be found and a planned outage cannot be deferred.

If October would be designated as an Off-Peak month, for purposes of the Planned Outage Process, as is the case for the Peak Seasonal Average Availability calculation, YWA could favorably support Option 1.

- YWA would respectfully ask why the Peak Seasonal Average Availability to support the UCAP calculation is determined to be May through September and for purposes of the Planned Outage Process, June through October, is considered Peak. Although these are different components to achieve CAISO's objective, they are both dependent upon a defined peak and off-peak period and would seem like these should be consistent.
- As intended, the proposed Option 1 change to avoid outages June through October will incentivize resource operators to avoid planned maintenance outages during this period, or not sell RA to accomplish the planned outage(s). If outages are shifted out of the June – October window, this might drive increased labor and contracting resources being forced to work in a tighter scheduling windows and/or lesser maintenance performed impacting reliability.
 - A plausible scenario is; YWA sells RA in October and does not take a Colgate unit outage as has generally been the practice. The two Colgate outages are scheduled for their routine three to four week outages durations during November and December. If a major issue is discovered during the outage, depending on weather, there may not be sufficient time to address the issue and return a unit to service to support flood risk mitigation, or maintenance is deferred increasing the reliability risk.
- Could the Option 1 June through October planned outage prohibition drive unintended consequences as generators respond to the market implications? In the case of large hydro units, many do take maintenance outages in the September and October time frame when reservoirs are at the lowest levels.
 - If these resources maintain their planned maintenance outages during September and October, and do not sell RA, this RA will be out of the market for the full month(s). Hydro routine planned maintenance outages vary significantly in duration ranging from

perhaps a week to a full month. Under the current planned outage process, resources have some certainty of being able to take planned outages and provide RA through substitution during their less than full month outage duration helping to support the RA certainty the CAISO is seeking during September and October.

- Under Option 1, a portion of the large hydro RA could defer maintenance outages past October, which could drive a significant drop in RA on November 1 as hydro operators take the last opportunity to perform maintenance before higher winter flows.
 - The on-off toggling of allowing Planned Outages across months, with the elimination of being able to utilize a RA substitution mechanism due to elimination of POSO, coupled with the existing monthly nature of RA may create a greater planning uncertainty for resource stakeholders.
- 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.

No comments.

- 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.

- 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.

- 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.

- 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.

- 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.

- 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.

No comments.

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.

No comments.

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.

No comments.

- 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.

No comments.

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.

- a. Please provide your organization's feedback on the Capacity Procurement Mechanism Modifications topic as described in section 4.4.2. Please explain your rationale and include examples if applicable.

No comments.

- b. Please provide your organization's feedback on the Making UCAP Designations topic as described in section 4.4.3. Please explain your rationale and include examples if applicable.

No comments.

- c. Please provide your organization's feedback on the Reliability Must-Run Modifications topic as described in section 4.4.4. Please explain your rationale and include examples if applicable.

No comments.

- 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, as described in section 4.4.4. Please explain your rationale and include examples if applicable.

No comments.

- d. Please provide your organization's feedback on the UCAP Deficiency Tool topic as described in section 4.4.5. Please explain your rationale and include examples if applicable.

No comments.

5. 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.

No comments.

6. 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.

No comments.

Additional comments

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

YWA would respectfully request that an additional (Sixth Straw Proposal) be added to the schedule to further define, answer questions and receive stakeholder input ahead of the Final Proposal.

Thank you for the opportunity to comment.