

Comments of California Community Choice Association  
On the CAISO EIM Resource Sufficiency Evaluation Enhancements  
Initiative Straw Proposal and Workshop Presentations/Discussion

**1. Please provide a summary of your organization's comments on the straw proposal:**

California Community Choice Association (CalCCA) appreciates the opportunity to submit comments on the Energy Imbalance Market (EIM) Resource Sufficiency Evaluation (RSE) Enhancements Straw Proposal,<sup>1</sup> and the August 23, 2021 Workshop Presentations/Discussion. CalCCA generally agrees with the California Independent System Operator Corporation's (CAISO) principles outlined in the Straw Proposal, and believes that the proposed enhancements will improve the accuracy and equitable application of the RSE. These comments are limited to CalCCA's support of the CAISO's decision to delay consideration of RSE failure consequences to after the implementation of the enhancements. CalCCA opposes the imposition of any financial consequences or operational consequences beyond the current capping of incremental upward EIM transfers.

**2. Please provide a summary of your organization's comments on the section of the proposal related to the capacity test modifications - intertemporal constraints, specifically the use of the short-term unit commitment horizon:**

No comments at this time.

**3. Please provide a summary of your organization's comments on the section of the proposal related to the flexible ramping test modifications:**

No comments at this time.

**4. Please provide a summary of your organization's comments on the section of the proposal related to the balancing test modifications, including the potential for changes in revenue allocation:**

No comments at this time.

**5. Please provide a summary of your organization's comments on the proposed ability for an EIM entity to represent demand response via adjustments to the forecasted demand requirement. Please provide feedback on if the existing penalty structure for under-delivery is sufficient to prevent misuse of this functionality:**

No comments at this time.

**6. Please provide a summary of your organization's comments on the proposed qualifications for import schedules the CAISO is able to use as an input to the RSE:**

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<sup>1</sup> *EIM Resource Sufficiency Evaluation Enhancements Straw Proposal*, Aug. 16, 2021 (Straw Proposal).

No comments at this time.

- 7. Please provide a summary of your organization's comments on the proposal to limit incremental EIM transfers when firm load is used as non-spin/spin reserves:**

No comments at this time.

- 8. Please provide a summary of your organization's comments on the section of the proposal related to additional transparency and data availability:**

No comments at this time.

- 9. Please provide a summary of your organization's comments on the additional metrics that the Department of Market Monitoring can develop for the RSE:**

No comments at this time.

- 10. Please provide a summary of your organization's comments on the section of the proposal relating to the uncertainty calculation; specifically the use of the last 3 months of deviation data as well as the 95% confidence interval:**

No comments at this time.

- 11. Please provide your organization's comments on the proposal to address the RSE failure consequences in the phase 2 of this initiative, including desired timelines for the start on phase 2 of the initiative.**

CalCCA appreciates the CAISO concluding that imposing revised RSE failure consequences at this time is not appropriate given the enhancements being made with this initiative as well as the pricing improvements made in the *Market Enhancements for Summer 2021 Initiative*. CalCCA also agrees with the CAISO that any changes to the current RSE failure consequences should not be considered until the enhancements in Phase 1 are implemented and data regarding any RSE failures at that time are evaluated. However, during any phase of this initiative, CalCCA opposes any future development of additional consequences (beyond the current capping of incremental upward EIM transfers) for failure of the RSE, including financial penalties or additional operational consequences.

As noted by the CAISO in the Straw Proposal, “[t]he addition of financial consequences for a failure of the EIM’s RSE represents a fundamental change to the existing voluntary nature of EIM Participation.”<sup>2</sup> EIM entities can voluntarily elect to participate in and make supply available to the EIM through the base scheduling process. EIM participants already face existing penalties for non-compliance with responsibilities in the Balancing Area Authority. In addition, the CAISO’s market process clears supply with forecasted demand. To do this resource adequacy resources have a must offer obligation to ensure sufficient offers are made

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<sup>2</sup> Straw Proposal at 21.

available to the market to meet forecasted demand. Any financial consequences for failure of the RSE could dissuade entities from fully participating in the EIM to avoid the risk of incurring financial penalties. In addition, even if financial penalties are limited to times of stressed grid conditions (as contemplated in the Issue Paper<sup>3</sup>), entities could be dissuaded from participating at a time when transfers are most beneficial.

Operational consequences beyond the current capping of incremental upward EIM transfers to prevent leaning should not be considered. Any such operational consequences could exacerbate reliability challenges if a decrease in the transfer limit occurs when an entity is already experiencing reliability challenges.

CalCCA does not support financial or additional operational consequences for failing the RSE, as such consequences will have adverse impacts on the EIM, a voluntary market, by hindering EIM participation beyond what is necessary to avoid leaning.

**12. Please provide your organization's comments on the proposal to address the load forecast adjustments topic in phase 2 of this initiative:**

No comments at this time.

**13. Please provide your organization's comments on the proposed EIM Governing Body classification to have primary authority to approve the EIM RSE final proposal:**

No comments at this time.

**14. Please provide any additional comments on the EIM RSE Enhancements initiative that have not previously been addressed:**

No comments at this time.

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<sup>3</sup> *EIM Resource Sufficiency Evaluation Enhancements Issue Paper*, May 28, 2021 (Issue Paper) at 4.