

# California Community Choice Association

SUBMITTED 07/25/2022, 02:18 PM

## Contact

Shawn-Dai Linderman (shawndai@cal-cca.org)

### **1. Please provide a summary of your organization's comments on the WEIM Resource Sufficiency Evaluation Enhancements Phase 2 straw proposal and July 11, 2022 stakeholder call discussion:**

The California Community Choice Association (CalCCA) appreciates the opportunity to submit comments on the California Independent System Operator Corporation's (CAISO's) WEIM Resource Sufficiency Evaluation Enhancements Phase 2 Straw Proposal, dated July 1, 2022 (Straw Proposal), and the July 11, 2022 stakeholder call. The enhancements to the resource sufficiency evaluation (RSE) adopted in Phase 1, and the proposed accuracy enhancements proposed in the Straw Proposal Section 4, demonstrate the CAISO's commitment to increasing accuracy of the RSE by reducing failures based on false indicators. CalCCA supports the CAISO's proposed accuracy enhancements set forth in the Straw Proposal.

In addition, CalCCA supports the CAISO's proposal to allow balancing authority areas (BAA) to elect to utilize energy assistance through the Western Energy Imbalance Market (WEIM) to cure resource insufficiencies. CalCCA's concern with this proposal lies with ensuring appropriate consequences faced by a BAA for misuse of the energy assistance option. The following provides CalCCA's comments on (1) consequences for misuse of the energy assistance option; (2) allocation of assistance energy revenue; and (3) oversupply failure consequences.

#### A. Consequences for Misuse of Energy Assistance Option

The Straw Proposal poses two questions in section 5.1.1 to gauge what constitutes "misuse" and how to construct appropriate consequences for such misuse. First, the Straw Proposal asks about the relationship between many small failures (i.e., a 1 megawatt (MW) failure for 3 straight hours) and fewer large failures (a 40 MW failure during a single interval). While both failures are potentially significant, CalCCA views a larger failure during a single interval to be an immediate and significant risk indicating a substantial failure of a BAA. Consequences are necessary to deter such failures. Smaller failures indicate a higher risk tolerance than the CAISO should accept, demonstrating that they frequently secure just enough (and in some instances, not enough) supplies. Such failures should face consequences given the likelihood of (and to prevent) additional failures and to incentivize a change in practices.

Second, the Straw Proposal asks whether failures during varying system conditions represent the same level of functionality, and if not, is weighting the impact of failures during varying conditions appropriate. Failures during tight conditions immediately place

the system in jeopardy, and therefore failures during different system conditions do not represent the same level of functionality and should face different consequences.

#### B. Allocation of Assistance Energy Revenue

Section 5.1.3 of the Straw Proposal requests feedback on two proposed methods for allocating the energy assistance revenue – i.e., revenue separate from the conventional congestion revenue and collected only after the activation of the hurdle rate. The two proposals are to allocate the revenue: (1) pro rata by net WEIM export to entities that have passed the RSE; or (2) pro rata to entities that have passed the RSE (whether dispatched or not). While the CAISO is leaning towards the first option, CalCCA supports allocating revenue to all entities that have passed the RSE, including those not dispatched. Entities passing the RSE, and whose capacity is available to cure resource insufficiencies, should be rewarded for bidding their capacity into the WEIM. Conceptually, the CAISO should encourage all capacity to be made available to the market. Awarding energy assistance revenue based upon all capacity available to the WEIM from entities passing the RSE is more effective in this regard than just the select entities that clear the energy market since this would be energy based rather than capacity based.

#### C. Oversupply Failure Consequences

The CAISO proposes that during oversupply conditions, a failure of the ramping sufficiency test allows incremental additional export transfers at a hurdle rate of \$0/megawatt-hour. CalCCA supports the CAISO's proposal, which introduces an economic solution to discourage curtailment of low-cost supply in the WEIM.

Finally, CalCCA supports the CAISO's characterization of the proposed changes (excluding the CAISO export tagging rules) to the RSE as under the joint authority of the WEIM Governing Body and the Board of Governors.

**2. Provide your organization's comments on the proposal to align the ISO BAA WEIM RSE obligations with those of other EIM participating BAA's, specifically the ISO's proposal to only count export schedules it can confidently support:**

No comments at this time.

**3. Provide your organization's comments on the proposal to adjust a WEIM BAA's ability to show low priority exports on a base schedule; if the ISO BAA has the low priority exports removed from its WEIM RSE obligation:**

No comments at this time.

**4. As discussed on the stakeholder call, the ISO would look to discount from its WEIM RSE obligations low priority exports that may have been supported by an import schedule that was ultimately not tagged. The tag information is not known until T-40. Do WEIM entities believe that discounting the ability to count these low priority exports in their base schedules is appropriate? Does the**

**window between the existing T-40 RSE and the proposed binding T-30 RSE provide sufficient time to update base schedules?**

No comments at this time.

**5. Provide your organization's comments on the ISO's proposal to change the tagging rules for low priority exports:**

No comments at this time.

**6. Provide your organization's comments on whether it is appropriate for the ISO as the market operator to validate, review and potentially discount interchange supply shown within an WEIM BAA's base schedule based upon the e-tags that support the shown interchange:**

No comments at this time.

**7. Provide your organization's comments on the ISO's proposal to utilize the quantile regression methodology to inform the uncertainty requirement that is tested for in the WEIM RSE's capacity and flexible ramping sufficiency tests:**

No comments at this time.

**8. Please provide your organization's input on the ISO's proposal to permanently remove the adder for intertie uncertainty:**

No comments at this time.

**9. Please provide your organization's input the potential to implement energy assistance through the WEIM prior to summer 2022:**

No comments at this time.

**10. Please provide your organization's input on the ISO's proposal to modify the consequences of failing the WEIM RSE to provide the opportunity to cure over and undersupply conditions through the WEIM:**

No comments at this time.

**11. Provide your organization's comments on the ISO's proposal to cure undersupply conditions using a hurdle rate set at the bid cap:**

No comments at this time.

**12. Provide your organization's comments on the ISO's proposed revenue allocation for assistance energy revenue:**

No comments at this time.

**13. Provide your organization's comments on the ISO's proposal to relax export limitations for an EDAM BAA that has failed the flexible ramping sufficiency test using a hurdle rate set to \$0:**

No comments at this time.

- 14. Provide your organization's comments on relaxing import limitations to a BAA that has failed the WEIM RSE in the upwards direction while the conditions in question 8 have been met:**

No comments at this time.

- 15. Provide any additional comments on the WEIM Resource Sufficiency Evaluation Enhancements Phase 2 straw proposal or July 11, 2022 stakeholder call discussion:**

No comments at this time.