

California Community Choice Association

SUBMITTED 10/07/2022, 02:09 PM

Contact

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1. Please provide a summary of your organization's comments on the CPM Enhancements Track 1 draft final proposal

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the Capacity Procurement Mechanism (CPM) Enhancements Phase One Draft Final Proposal. CalCCA supports the Draft Final Proposal with a caveat regarding the tariff clarification to forbid resources from taking on new Resource Adequacy (RA) obligations after they have accepted a CPM designation.

The CAISO proposes two modifications that would provide additional flexibility in accessing CPM capacity. First, the CAISO proposes to have the authority to reduce the volume (in megawatts (MW)) of significant event CPM designations when the designated capacity is otherwise committed to the CAISO (e.g., through a RA contract, Reliability Must-Run (RMR) designation, or monthly CPM designation). Second, the California Independent System Operator Corporation (CAISO) proposes to have the authority to reduce the term of significant event CPM designations when the designated capacity is already committed or unavailable to the CAISO (e.g., capacity contracted to an entity outside the CAISO balancing authority area, RA resources not on a supply plan, or planned outage substitution). CalCCA supports these enhancements as they will provide the CAISO additional access to CPM capacity which may result in increased reliability and lower CPM costs.

However, in the draft final proposal the CAISO also indicates that it plans to clarify the tariff to forbid resources from taking on new RA obligations after they have accepted a CPM designation if those new RA obligations conflict with the CPM obligations. CalCCA understands that this aspect of the proposal would apply to Significant Event CPMs and CPMs associated with resolving RA deficiencies (and not exceptional dispatch CPMs).

CalCCA supports this clarification for CPMs associated with resolving RA deficiencies only. For CPMs resolving RA deficiencies, the RA credit associated with the CPM capacity is allocated to load-serving entities (LSEs). Therefore, it makes sense to forbid the CPM capacity from taking on new RA obligations because that capacity is already counting towards RA obligations and the RA value of that capacity is already allocated out to LSEs through CPM credits. CalCCA agrees with the CAISO that the CPM rules should ensure the same MW of capacity is not sold twice and is not counted for RA twice.

CalCCA does not support this clarification for Significant Event CPMs. For Significant Event CPMs, the RA credit associated with the CPM capacity is not allocated to LSEs because these CPM types are meant to obtain capacity in excess of RA requirements. If

these CPMs extend beyond the initial 30-day term, there may be a situation where an LSE is looking to buy capacity for its monthly showing, but the capacity is already tied up in a long-term CPM. For example, assume a 10 MW resource accepts a 90-day CPM on September 10. The CPM, therefore, lasts until December 10. If an LSE is looking to procure an additional 10 MW for its November monthly RA showing due Sept 15 or its December monthly RA showing due October 15, after the resource accepts the multi-month CPM, it would not be able to access that capacity for its November or December RA obligation. The CPM process should be a backstop to the RA program, meaning that it should not preclude LSEs from procuring RA from resources if they can use the capacity for their RA showings. This is especially critical in today's RA market, where RA capacity is extremely scarce and LSEs must procure most, if not all, available RA capacity to meet their obligations in peak months. Therefore, CalCCA recommends that the CAISO clarify the tariff to forbid resources from taking on new RA obligations after they have accepted a CPM designation if those new RA obligations conflict with the CPM obligations *for CPMs associated with resolving RA deficiencies only*. For Significant Event CPMs, the CAISO should allow the CPM resource to enter into an RA contract to serve CAISO Balancing Authority (BA) load and when it does, release the resource of its CPM status. The CAISO could issue another Significant Event CPM to cover the capacity from the resource that transitioned from a CPM resource to an RA resource should the need for the Significant Event CPM continue and excess capacity to CPM exists. Allowing LSEs to contract with capacity that is CPM capacity but whose RA value is not already allocated to LSEs would better enable LSEs to meet their RA obligations at lower costs and reduce the risk of the CAISO needing to perform additional CPM to cover RA deficiencies.

CalCCA understands that the CAISO's clarification that would forbid resources from taking on new RA obligations after they have accepted a CPM designation if those new RA obligations conflict with the CPM obligations would not apply to Exceptional Dispatch CPMs and that resources that receive an Exceptional Dispatch CPM could subsequently enter into an RA contract and have their CPM volume adjusted. CalCCA recommends this rule apply to Significant Event CPMs as well. If the CAISO believes this rule should not apply to Significant Event CPMs, more clarification is needed as to why it would apply for Exceptional Dispatch CPMs and not Significant Event CPMs.

2. Please provide specific comments (if applicable) on proposal 4.1

CalCCA has no additional comments at this time.

3. Please provide specific comments (if applicable) on proposal 4.2

CalCCA has no additional comments at this time.

4. Please provide specific comments (if applicable) on proposal 4.3

CalCCA has no additional comments at this time.

5. Please provide specific comments (if applicable) on proposal 4.4

CalCCA has no additional comments at this time.

6. Please provide specific comments (if applicable) on proposal 4.5

CalCCA has no additional comments at this time.

Middle River Power, LLC

SUBMITTED 10/07/2022, 11:50 AM

Contact

Brian Theaker (btheaker@mrpgenco.com)

1. Please provide a summary of your organization's comments on the CPM Enhancements Track 1 draft final proposal

Middle River Power (MRP) appreciates the opportunity to comment on the draft final proposal.

MRP generally supports the direction of the proposal and provides the comments below for additional consideration and clarification.

One aspect of the draft final proposal that MRP does not support is the new insertion limiting the ability for resources to sell capacity to other LSEs after a CAISO CPM designation. MRP believes the CAISO's restriction on selling CPM capacity is too broad and should be limited to only instances of exceptional dispatch CPM and intra-month significant event CPM designations. As written, if the CAISO were to issue CPM designations for Local, System or Flexible capacity deficiencies in the year-ahead timeframe, the CPM capacity could not be contracted to an LSE even if the LSE needed the capacity to meet its own RA obligations. Allowing for the CPM capacity to be contracted to LSEs within the CAISO is beneficial to the CAISO because it (1) ensures that the capacity is under RA contract, (2) leaves the CAISO no worse off operationally, and (3) ensures that the total costs of the CPM designation would be reduced because the new LSE would take on that cost. Whether or not the contractual cost is higher or lower than CPM is irrelevant because the LSE wanted to buy the capacity for its needs rather than rely on the CAISO CPM to meet that obligation.

2. Please provide specific comments (if applicable) on proposal 4.1

MRP understands the CAISO proposes to vary the volume of mid-term significant event CPM designations because a resource may have varying volumes of RA commitments that straddles two months. *First*, MRP requests the CAISO define the term "mid-term". MRP interprets this term to primarily apply to a CPM designation that occurs after the first day of the operating month with a potential 30-day designation duration lasting until the next operating month. If this interpretation is accurate, then MRP agrees that the CAISO should have the ability to reduce the volume of the CPM designation. *Second*, MRP suggests that it is possible for a resource to be held back from being shown as RA capacity during an operating month because the LSE that

owns or controls the capacity may wish to use it as substitute capacity for a planned outage. For example, consider a situation in which LSE 1 procured a 100 MW resource (RES A) for April and needed the capacity for substitution capacity for the 2nd week in the month for another resource (RES B) that is scheduled to be on planned outage then. In this case, RES A would not be able to submit offers into the CSP because it is unable to offer the capacity for the entire month. If the CAISO needed to solicit significant event CPM offers prior to the operating month, as it did so in 2018, MRP believes that RES A should have the capability to offer its capacity, if authorized by LSE 1, into the CAISO's CSP process. MRP highlights this example primarily to question whether the CAISO should limit its proposal to vary the volume of significant event CPMs throughout a 30-day term to only "mid-term" significant event CPMs or if it should have the capability to do such for any significant event CPM.

3. Please provide specific comments (if applicable) on proposal 4.2

MRP generally supports this proposal but requests the CAISO clarify whether MRP's example above of a resource being used for planned outage substitution for one week during an operating month would be allowed to effectively have two discontinuous CPM designation terms. Under this section of the CAISO's proposal, the CAISO states that this would not be allowed, but if there is a significant event and the CAISO needs the capacity, it makes little sense for the CAISO to not be able to procure the capacity. MRP requests the CAISO provide in the final proposal details as to what might be permitted in MRP's example regarding capacity held back to provide substitute capacity above. MRP also requests the CAISO consider if the CAISO's CSP tool in CIRA can be utilized to facilitate such availability information from the scheduling coordinator of the resource to the CAISO rather than CIDI tickets.

4. Please provide specific comments (if applicable) on proposal 4.3

Inasmuch as the CAISO is proposing to post CPM designation information in OASIS rather than through market notices, MRP continues to request the CAISO post CPM designation data in OASIS that provides more information on the nature and length of the designation than the information previously provided in the market notices. To be clear, MRP is not asking for information that would be considered sensitive, but rather for more complete non-sensitive information.

5. Please provide specific comments (if applicable) on proposal 4.4

No comment..

6. Please provide specific comments (if applicable) on proposal 4.5

No comment..