

# California Community Choice Association

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## Contact

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### **1. Please provide your feedback and perspectives on the value and need for Fast Start Pricing within ISO markets, including perspectives on the Fast-Start Pricing analysis provided in Working Group Session #16.**

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the fast-start pricing analysis presented in working group #16. The analysis is helpful for understanding the impact of fast-start pricing on market prices, including seasonal trends, daily trends, and locational trends. The California Independent System Operator's (CAISO) analysis demonstrates that fast-start pricing could impact the price in up to 25 percent of the intervals and, under extreme summer and gas conditions, up to a monthly average of \$8.70 per megawatt-hour. While this analysis is helpful for understanding the cost impacts of fast-start pricing, discussions in the working group have not demonstrated sufficient benefits associated with fast-start pricing to justify these cost increases.

The CAISO has other mechanisms for ensuring fast-start resources recover their costs without the customer cost impacts associated with fast-start pricing. The CAISO compensates fast-start resources for their start-up costs outside the market rather than in the locational marginal price. Under fast-start pricing, fast-start resources' total compensation would remain the same, but the market clearing price would rise to include start-up costs and award that higher price to all resources that clear the market.

The CAISO, the Department of Market Monitoring, and stakeholders have raised a series of concerns with fast-start pricing within the Federal Energy Regulatory Commission Notice of Proposed Rulemaking in Docket RM17-3 and within the Price Formation Enhancements Working Groups thus far. These concerns stem from the fact that elements of the CAISO's market, like the flexible ramping product, make it unique from other independent system operators' or regional transmission organizations' markets, and are incompatible with fast-start pricing. Fast-start pricing would undermine the CAISO's efforts to procure flexible resources in real-time, result in infeasible dispatches, and weaken price signals to provide ramping capability when coupled with the flexible ramping product. The CAISO should not ignore these concerns in favor of implementing a seemingly unnecessary pricing structure that would increase customer costs for an unclear benefit.

For these reasons, CalCCA continues to oppose the implementation of fast-start pricing in the CAISO's market unless any perceived benefits associated with the costs of fast-start pricing can be clearly articulated and quantified.

### **2. Please provide your organizations level of priority (High, Medium, Low) as it relates to further policy development for Fast-Start Pricing.**

Fast-start pricing is a low priority for CalCCA. For the reasons described in Section 1, the CAISO should not move forward with developing fast-start pricing for its markets.

### **3. Please provide any additional feedback.**

CalCCA has no additional feedback at this time.