

California Community Choice Association

SUBMITTED 05/28/2024, 11:00 AM

Contact

Lauren Carr (lauren@cal-cca.org)

1. Please provide a summary of your organization's comments on the Day-Ahead Sufficiency straw proposal:

The California Community Choice Association (CalCCA) appreciates the opportunity to comment on the California Independent System Operator (CAISO) Day-Ahead Sufficiency Straw Proposal. This initiative will ensure that the CAISO, in its role as an extended day-ahead market (EDAM) balancing authority area (BAA), meets its day-ahead resource sufficiency evaluation (RSE) obligations by identifying potential shortfalls in the advisory timeframe and curing those shortfalls when necessary. When identifying potential shortfalls in the advisory timeframe, the CAISO must properly estimate the amount of resources available to meet the RSE. This is because some resources may make themselves available between when the CAISO must make cure decisions and when it runs the binding RSE. Failure to properly estimate the amount of this supply that will become available could result in curing shortfalls that did not actually exist or failure to cure when shortfalls did exist. Either outcome could be costly.

With these considerations in mind, CalCCA makes the following recommendations:

- The CAISO should adopt its proposal for processes to estimate supply available to meet its day-ahead RSE obligation.
- The CAISO should ensure it does not hold Reliability Demand Response Resource (RDRR) out of the day-ahead RSE when it anticipates a day-ahead RSE failure and when RDRR has not yet met its use limitations, given RDRR would be available if the CAISO declared an energy emergency alert (EEA) in real-time.
- The CAISO should modify its proposal to account for short-start strategic reliability reserve (SRR) resources the same way the CAISO proposes to account for RDRR in the RSE, meaning if the CAISO expects an RSE shortfall and the CAISO expects EEA conditions, then the CAISO should adjust the RSE eligible supply to include SRR capacity.
- The CAISO should ensure that de minimus untagged imports do not affect the CAISO's ability to participate in the WEIM RSE pool, particularly if the CAISO already passes the day-ahead RSE with the rest of its supply.
- The CAISO should refer to CalCCA's May 17, 2024, Resource Adequacy Modeling and Program Design (RAMPD) Working Group comments regarding the CAISO's proposal for curing upward RSE shortfalls.^[1]

[1] <https://stakeholdercenter.caiso.com/Comments/AllComments/4726dcff-0976-4bbe-a424-6382c3a38012#org-c3024a68-903e-4503-8e9b-d78c3ab0666a>.

2. Please provide a summary of your organization's comments on the May 13, 2024 stakeholder call discussion:

See the response in Section 1.

3. Please provide your organization's comments on the CAISO Balancing Authority (BA) processes for estimating supply available to meet its day-ahead resource sufficiency evaluation (RSE) obligation:

The CAISO proposes to estimate the supply available to meet its day-ahead RSE obligation by inserting advisory bids for Resource Adequacy (RA) resources that have not submitted offers by the 9 a.m. advisory RSE run. For resources subject to bid insertion rules, scheduling coordinators (SC) would be able to overwrite inserted bids until 10 a.m. For resources not subject to bid insertion, the CAISO would discard advisory bids at 10 a.m. The CAISO should adopt this proposal, as it allows for a reasonable estimation of available supply, given RA resources must offer when they are available per their must offer obligations. It also ensures SCs still have control over their offers consistent with the CAISO's existing bid insertion rules.

4. Please provide your organization's comments on the proposed method of accounting for Reliability Demand Response Resources (RDRR) in the day-ahead time frame. In addition, please explain other potential appropriate uses for RDRR in reducing scarcity pricing:

RDRR resources have the option but are not required to offer into the day-ahead market. Upon the CAISO declaring an EEA, RDRR is required to offer in the real-time market. The CAISO proposes to account for unoffered RDRR in the day-ahead RSE if it expects an upward RSE shortfall in the 9 a.m. advisory RSE run *and* if the CAISO BAA is expecting EEA conditions in real-time. The proposal will likely reflect RDRR availability. However, the CAISO should better define when it "reasonably expects emergency conditions to materialize in real-time,"^[1] given the CAISO generally does not declare EEA conditions until the real-time. The CAISO should ensure it does not hold RDRR out of the day-ahead RSE when it anticipates a day-ahead RSE failure and when RDRR has not met its use limitations, given RDRR would be available if the CAISO declared an EEA in real-time.

CalCCA offers the following responses to CAISO's requests for stakeholder feedback:^[2]

- It is CalCCA's understanding that the investor-owned utilities (IOU), who operate the RDRR programs, provide the CAISO with daily RDRR availability updates. This information can inform the quantity of RDRR available and prevent double counting by ensuring the total RDRR included in the day-ahead RSE does not exceed the daily RDRR availability updates from the IOUs.
- The CAISO should reflect energy limits allocating RDRR in a manner that minimizes RSE shortfall. For example, if there is an RSE shortfall in five hours (but RDRR can only be used for four hours) and allocating RDRR in the first four hours results in an RSE shortfall of 100 megawatts (MW) and allocating RDRR in the last four hours results in an RSE shortfall of 150 MW, then the CAISO should allocate the RDRR in the first four hours of the shortfall.

^[1] Straw Proposal at 10.

^[2] Straw Proposal at 12.

5. Please provide your organization's comments on the proposed method for accounting for Strategic Reliability Reserve (SRR) Resources:

The CAISO proposes to account for long-start SRR resources in the day-ahead RSE if committed. The CAISO should adopt this proposal as it will accurately reflect the availability of long-start SRRs given they will be committed prior to the day-ahead RSE runs and if not committed, will not be available in real-time.

The CAISO proposes not to include short-start SRR resources in the day-ahead RSE because short-start SRR resources will not submit offers into the day-ahead market. Short-start SRRs, while not committed prior to the day-ahead market, will be available to the CAISO BAA in real-time under emergency conditions. Ignoring short-start SRR resources in the RSE could result in the CAISO failing the RSE when it should have passed. The CAISO should modify its proposal to account for short-start SRR resources the same way the CAISO proposes

to account for RDRR in the RSE, meaning if the CAISO expects an RSE shortfall and the CAISO expects EEA conditions, then the CAISO should adjust the RSE eligible supply to include SRR capacity.

6. Please provide your organization's comments on the need for additional incentives for tagging cleared day-ahead imports:

Per the EDAM policy, the CAISO will count non-resource-specific imports in the day-ahead RSE. To remain in the WEIM RSE pool for BAAs that pass the day-ahead RSE, non-resource-specific imports relied upon to meet the day-ahead RSE must meet tagging requirements by 5 hours before the start of the operating hour or resupply to replace untagged imports. The CAISO proposes to monitor the need for additional incentives for tagging day-ahead imports to ensure imports relied upon to pass the day-ahead RSE meet their tagging requirements. It is prudent for the CAISO to monitor the need for greater incentives to tag non-resource-specific imports.

The CAISO should ensure that de minimus untagged imports do not affect the CAISO's ability to participate in the WEIM RSE pool, particularly if the CAISO already passes the day-ahead RSE with the rest of its supply. The CAISO's analysis of day-ahead economy energy imports shows that imports have performed well under stressed system conditions and show up in real time in excess of day-ahead schedules. It would be excessive for the CAISO to be removed from the real-time WEIM RSE pool should the CAISO experience de minimus untagged imports due to inadvertent tagging errors.

7. Additional comments:

The CAISO should refer to CalCCA's May 17, 2024, Resource Adequacy Modeling and Program Design (RAMPD) Working Group comments regarding the CAISO's proposal for curing upward RSE shortfalls.^[1]

[1] <https://stakeholdercenter.caiso.com/Comments/AllComments/4726dcff-0976-4bbe-a424-6382c3a38012#org-c3024a68-903e-4503-8e9b-d78c3ab0666a>.