

Stakeholder Comments Template

**Flexible Resource Adequacy Criteria and Must-Offer Obligation
5th Revised Straw Proposal Comments**

Submitted by	Company	Date Submitted
<i>Doug Boccignone</i> <i>dougbocc@flynnrci.com</i> <i>888-634-7509</i>	<i>Bay Area Municipal Transmission Group (BAMx)¹</i>	<i>January 31, 2014</i>

CAISO has requested comments on the 5th Revised Straw Proposal. BAMx therefore submits the following comments.

Flexible Capacity Allocation

BAMx supports calculating the intermittent generation and load components based on the contribution of each component to the monthly top five 3-hour net-load change as described in the 5th Revised Straw Proposal.²

BAMx also supports determining each LRA’s contribution to flexible capacity need using historic load data, and forecast intermittent generation data based on the specific RPS portfolios submitted to the CAISO by jurisdictional LSEs of each LRA.³

Flexible Capacity Showings

BAMx supports the use of separate RA showings for flexible capacity and system and local capacity. That is, a resource can be shown as flexible and not count towards meeting a generic RA requirement, and would be subject only to the applicable flexible capacity offer requirement. For those flexible capacity resources that are also shown as meeting local and/or system RA, the resource would need to meet both sets of offer requirements.⁴

Flexible Capacity Categories

BAMx supports the four technology neutral flexible capacity categories described in the 5th Revised Straw Proposal,⁵ but the CAISO should clarify in the draft final proposal that a single flexible capacity resource may provide flexible capacity in one or more categories, with the corresponding Must Offer Obligation for each category. Given that

¹ BAMx comprises the City of Palo Alto Utilities, the City of Santa Clara/Silicon Valley Power, and Alameda Municipal Power.

² FRACMOO Fifth Revised Straw Proposal, p. 18.

³ FRACMOO Fifth Revised Straw Proposal, p. 10.

⁴ FRACMOO Fifth Revised Straw Proposal, p. 31.

⁵ FRACMOO Fifth Revised Straw Proposal, p. 24.

we are not aware of any resource with unlimited flexibility, we suggest renaming Category 1 to Greatest Flexibility.

BAMx disagrees that Use-Limited resources should be excluded from Category 1. Some Use-Limited resources may well be able to provide the flexibility sought for Category 1 for at least a portion of their Effective Flexible Capacity. For example, a hydro resource that may only be able to provide 6 hours of energy at its EFC may be able to provide 17 hours of energy for a portion of its EFC. BAMx also believes that the CAISO should not need to rely on resources with unlimited starts to meet the Category 1 needs. A more reasonable Category 1 requirement would be at least two starts per day. Many flexible resources could be operated at levels below PMax and still provide flexibility without having to be cycled on and off.

BAMx suggests a slightly modified approach for describing the qualification requirements for each flexible capacity category:

For all flexible capacity resources, the resource characteristics specified in the Master File (e.g., ramp rates, Pmin, minimum run-time, etc.) apply. To qualify for a particular category, the flexible capacity resource must be able to meet the following requirements:

Category 1 (Greatest Flexibility)

- Must have the ability to start at least twice each day
- Must be capable of providing energy up to the Category 1 quantity shown for the remaining dispatch hours (up to 17 hours maximum per day)

Category 2 (Limited Flexibility)

- Must have the ability to start at least twice each day
- Must be capable of providing energy up to the Category 2 quantity shown for the lesser of the remaining dispatch hours (up to 17 hours maximum per day) or six hours per day (for Use-Limited Resources)

Category 3 (Peak Flexibility)

- Must have the ability to start at least once each day
- Must be capable of providing energy up to the Category 3 quantity shown for the lesser of the remaining seasonally-determined dispatch hours (up to 5 hours maximum per day) or three hours per day (for Use-Limited Resources)

Category 4 (Super-Peak Flexibility)

Option 1 – Energy Resources

- Must have the ability to start at least once each day
- Must be able to respond to at least 5 market dispatches per month

- Must be capable of providing energy up to the Category 4 quantity shown for the lesser of the remaining seasonally-determined dispatch hours (up to 5 hours maximum per day) or three hours per day

Option 2 – Regulation energy management resources

- Must be available to provide regulation for the Category 4 quantity shown from 5:00 am to 10:00 pm daily