**NCPA Comments – PRR 1153**

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| **Submitted by** | **Company** | **Date Submitted** |
| *Mike Whitney*  [*mike.whitney@ncpa.com*](mailto:mike.whitney@ncpa.com)  *(916)781-4205* | *NCPA* | *4/18/2019* |

NCPA appreciates the opportunity to provide comments in response to PRR 1153 and is very pleased with changes in 3.6.1.21. However, NCPA must point out that this is not a “holistic solution” as described in the PRR and will still result in recurring disputes due, including but not limited to CAISO market failures, outages, the fact that TEE is more reflective of DOP than DOT, and the fact that there is no longer a “dispatch window” function to prevent Non Dispatch Mode energy from encroaching into ancillary service or load following capacity. With that said, NCPA still supports PRR 1153 and looks forward to suggesting improvements in the future.

**Market Failures:**

Market failures create issues due to the fact that they eliminate inputs required for configurations to produce correct results. NCPA suggests that CAISO put a process in place to identify such market failures and correct any associated deviation penalties prior to statement publication.

**Forced Outage Accounting:**

CAISO’s new configuration may continue to produce deviation penalties during forced outages due to the fact that in some cases SLIC energy is converted to Optimal energy and may be incorrectly accounted for in BAResource5MTEELessMSSLFEandOutageQuantity because if a derated portion of the bid curve is within the RT energy bid stack, regardless of the magnitude of the derate, then the energy shall be classified as Optimal Energy, and shall be included in the TEE variable, but not the MSS outage energy analogue.

While NCPA believes OMS energy would be a more accurate reflection of outage volumes than the proposed SLIC Energy, we are concerned that accounting for any outages in BAResource5MTEELessMSSLFEandOutageQuantity will double count the outage accounting already addressed in the Real Time Purchase/Sale component of the MSSAA Schedule 19 DOPD.

**DOP vs. DOT:**

While testing the new configuration, we observed instances where TEE differed from the binding DOT and discovered that TEE is using DOP which is a nonbinding trajectory in ADS. We are concerned this discrepancy will create invalid penalties when the DOT and DOP diverge during conditions associated with large units ramping up and down for example. NCPA suggests using the DOT in a future release.

**Dispatch Window Concept:**

The prior configuration precalc included a flawed “dispatch window” concept but that has been completely removed from this latest version and NCPA is concerned that will allow Non-Dispatch Mode energy to encroach into capacity reserved for load following and ancillary services and we suggest addressing this using logic from the Market Operations BPM Appendix C.3:



This will help prevent CAISO from violating Tariff section 30.5.2.5 where it is stated that “the CAISO will not dispatch the resource within the range declared as Load Following capacity, leaving that capacity entirely available for the MSS to dispatch...."

**Miscellaneous:**

Lastly, while this statement is not part of the proposed revision, NCPA requests that CAISO make a clarification by modifying the following statement from:

“The Metered Subsystem (MSS) Positive and Negative Deviation Penalty (DP) Settlement charges (CC 1407 and 2407 respectively) are intended to discourage Load Following Metered Subsystems from deviating from their forward schedules and/or any CAISO instructions”

to

“The Metered Subsystem (MSS) Positive and Negative Deviation Penalty (DP) Settlement charges (CC 1407 and 2407 respectively) are intended to encourage Load Following Metered Subsystems to stay within the MSS Deviation Band.”

NCPA can deviate within Load Following capacity. Regulation up and down signals can also create deviations that do not have forward schedules or deviations.

NCPA does not expect the concerns listed above to be addressed by May 8, 2019 and is in full support of releasing the proposed changes at that time. NCPA thanks the CAISO for submitting the PRR and looks forward to continue working with CAISO to resolve penalties from invalid deviations due to the PRR deficiencies listed above as well as continuing to improve the configuration and arrive at a truly holistic solution.