

California Energy Storage Alliance (CESA) Comments on PRR 1659

CAISO Proposed BPM Language

The CAISO proposes adding the following language to several sections of the Reliability Requirements BPM:

“Regardless of a resource’s minimum qualified category established on the final EFC list, it is possible a resource’s scheduling coordinator reasonably could foresee at the time of flexible RA supply plan submission that operating limitations would prevent the resource from meeting the must-offer obligation for that minimum qualified category with feasible bids. In such instances, the resource should be shown in the RA process for the category whose must-offer obligation the scheduling coordinator reasonably expects can be met with feasible bids.”

CESA Comments:

The proposed BPM language in PRR1659 changes rates, terms, and/or conditions of the Flexible RA Capacity product, and clearly violates the CAISO tariff. CESA recommends the CAISO openly discuss its specific issues through a public RA policy initiative to determine if the policy changes it seeks are prudent and what Tariff changes will be needed to support those policy changes.

CAISO seeks to limit fully qualified Flexible RA Capacity sales to values less than resources are qualified to provide. For instance, CAISO Tariff Section 40.10.4.1(d) describes in clear terms how typical Energy Storage Resources qualify to sell Flexible RA Capacity: “for an energy storage resource that provides Flexible RA Capacity but not Regulation Energy Management, the Effective Flexible Capacity value will be the MW output range the resource can provide over three hours of charge/discharge while constantly ramping.” The qualifications for other resource types are similarly defined in the Tariff. According to Tariff Section 40.10.4, the CAISO is responsible for calculating and publishing the Effective Flexible Capacity value for each resource following the methodology described in Tariff Section 40.10.4.1. These published values constitute the quantity of Flexible RA capacity a resource owner is eligible to sell to load-serving entities and include on RA and Supply Plans.

The PRR seeks to limit what Scheduling Coordinators can show on RA and Supply Plans to a lesser qualified category than the category established by the CAISO Tariff. According to Tariff Section 40.10.3.1, a resource qualifies to provide Flexible RA Capacity in each Flexible Capacity Category for which it meets the qualifications set forth in Section 40.10.3. These categorical qualifications are also calculated by CAISO according to a Tariff defined methodology. The draft BPM language states “Regardless of a resource’s minimum qualified category established on the final [Effective Flexible Capacity] list... the resource should be shown in the RA process for the category whose must-offer obligation the scheduling coordinator reasonably expects can be met with feasible bids.” CAISO claims that this further limitation on what capacity can be included on an RA and Supply Plan is to ensure shown resources can meet a “must-offer obligation.”

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Disqualifying tariff-qualified capacity based on when a Scheduling Coordinator could “reasonably foresee” an “operating limitation” is clearly ambiguous, discriminatory, and a change to a rate, term, and/or condition of the Flexible RA capacity product. The CAISO does not provide clear examples of what might constitute an operating limitation that a Scheduling Coordinator could “reasonably foresee” at the time of the RA and Supply Plan submittal and it does not justify why those limitations should be treated differently than operating limitations that a Scheduling Coordinator could “reasonably foresee” after RA and Supply Plans have been submitted and processed. If operating limitations that a Scheduling Coordinator could reasonably foresee prior to plan submittal should be penalized differently or more or less harshly under the must-offer obligation than operating limitations that a Scheduling Coordinator could reasonably foresee after plan submittal, CAISO has not justified this varied treatment.