

April 16, 2019

**COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING,
COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA
ON PROPOSED REVISION REQUEST 1147**

In accordance with the Business Practice Manual (“BPM”) Change Management Process, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the “Six Cities”) provide their recommendation comments on Proposed Revision Request (“PRR”) 1147, titled “Conditionally available resources,” which adds a new resource type called Conditionally Available Resources (“CAR”) in accordance with the Commitment Cost Enhancement phase 3 initiative.

The Six Cities submitted initial comments in response to PRR 1147, explaining that “the interplay between the bid generation exemption and the outage management process is not clear,” and requesting “that the CAISO provide further explanation as to what the must offer obligation is for a CAR and the circumstances under which an outage notification is required if the CAR is satisfying its must offer obligation.” The CAISO posted the following response to the Six Cities’ comments:

CARs face frequent, recurring, and predictable periods of unavailability. The bid generation exemption is an acknowledgement that having the ISO and resource manage these limits through OMS cards would be impractical. As a result, a CAR need not submit an outage card to OMS when it is unavailable because of the regulatory or operational limits that qualify them as a CAR. All other rules and obligations applicable to RA resources apply. For example, outside of the CAR-qualifying limitations, a CAR should be bidding 24x7. Also, if a CAR-qualifying limitation prevents the resource from bidding during a RAIM assessment hour, then the resource will be exposed to RAIM regardless of its status as a CAR.

The CAISO’s response appears to partially clarify the language submitted through PRR 1147. Based on this response, the Six Cities understand that an outage card is not necessary where a CAR has no expected energy. However, the final sentence of the CAISO’s response – “if a CAR-qualifying limitation prevents the resource from bidding during a RAIM assessment hour, then the resource will be exposed to RAIM regardless of its status as a CAR” – is inconsistent with Section 40.6.4.1 of the CAISO Tariff. Section 40.6.4.1 provides:

Any . . . [CAR] that provides Resource Adequacy Capacity must submit Self-Schedules or Bids in the Day-Ahead Market for their expected available Energy or their expected as-available Energy, as applicable, in the Day-Ahead Market and RTM up to the quantity of Resource Adequacy Capacity the resource is providing.

Under Section 40.6.4.1, if a CAR bids the energy that it expects to be available, then it has satisfied its Must-Offer Obligation. In the event a CAR bids zero or does not submit a bid because it does not expect any energy to be available, it still satisfies the Must-Offer Obligation by bidding its expected available energy of zero. In this case, the CAR would not have RAAIM exposure, because the CAR has done what the Tariff says to do – “submit Self-Schedules or Bids in the Day-Ahead Market for their expected available Energy or their expected as-available Energy, as applicable, in the Day-Ahead Market and RTM up to the quantity of Resource Adequacy Capacity the resource is providing.” Where the CAR meets its Must-Offer Obligation, the CAR would not be exposed to RAAIM.

However, under the CAISO’s explanation above, a CAR *would* be exposed to RAAIM if it did not submit a bid due to a CAR-qualifying limitation. The CAISO’s statement fails to recognize that RAAIM is based on meeting a bid obligation, and if a CAR bids zero or does not bid because it has no expected available energy due to its CAR-qualifying limitation, then it has, in accordance with its Must-Offer Obligation as defined in Section 40.6.4.1 of the CAISO Tariff, met its bid obligation. Therefore, the CAR should not be exposed to RAAIM, contrary to the CAISO’s statement.

The Six Cities request that the CAISO revise its proposed language in PRR 1147 to clarify that a CAR with no expected available energy that bids zero or does not submit a bid, thus reflecting the fact that its expected available energy is zero, has met its Must-Offer Obligation pursuant to Section 40.6.4.1 and will not be subject to RAAIM charges.

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