

Middle River Power Comments on PRR 1181
Submitted on September 18, 2019

Middle River Power submits the following comments on Proposed Revision Request (PRR) 1181, available at the following link:

https://bpmcm.caiso.com/Lists/PRR%20Details/Attachments/1181/Market%20Instruments_AttB%20changes_20190822.docx.

Middle River Power objects to the CAISO's proposed changes to Attachment B of the BPM for Market Instruments.

- The proposed changes use misleading terminology.
- The changes include a multi-layered CAISO approval process whose timeline is undefined.
- Finally, and of greatest concern, the proposed changes presume that the CAISO has the technical expertise and experience to invalidate a resource owner's judgment with regards to the safe operation and performance capabilities of its own equipment.

First, the proposed modifications refer to changes to the resource's "design capabilities". The resource's *design capabilities* – i.e., what the machine is deemed to be capable of based on its design – are what they are, and they do not change over time. A resource may or may not achieve its "design capabilities", or it could realize better performance than its "design capabilities", when it is initially placed in service. The resource's operating capabilities, which allow the resource to be operated in a safe and reliable manner, almost certainly will change over time as the resource ages and degrades, but the resource's "design capabilities", once established, do not change. The CAISO should not refer to a resource's "design capabilities" when it instead means a resource's "current operating capabilities".

Second, the proposed modifications contemplate a multi-layered, but undefined or unbounded, approval process that begins with the Master File analyst and then includes an undefined number of "...representatives of other affected CAISO systems." The CAISO's procedures for Master File changes hold that any submitted changes must be fully approved prior to them being made effective. This unbounded approval process could result in needed changes to Master File information taking an undefined and lengthy time.

Finally, at the core of the CAISO's modifications is the premise that the CAISO possesses a similar or superior (1) technical understanding of the resource owner's machine and (2) risk tolerance as the resource owner that allows the CAISO to override the resource owner's experience and judgment with regards to its own equipment – equipment that the CAISO has no commercial stake in and does not bear the financial consequences of operating in a detrimental way. The CAISO has the right to ensure that the revised unit characteristics do not reflect an attempt to exercise market manipulation by submittal knowingly false information, but the CAISO should not have a final say capable of overriding the resource owner's best judgment as to the capabilities of its own machine.