Resource Adequacy Phase 3 Proposal

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Phase 3 is an opportunity to tune Flex RA

» Three hour product selected in 2012 as starting point to "ensure the ISO could meet its ramping and contingency needs and enable a large pool of resources to qualify as flexible capacity resources" (FRACMOO Straw Proposal Dec 2012)

» Original product was created for future tuning and refinement

» Product can be tuned to better address multiple CAISO-identified issues:
- Insufficient ramping speed
- Cycle time for determining daily start requirements for base flexible capacity requires additional clarity
- High minimum operating levels from both RA and flexible RA
- Some quantities of long start resources may limit the ISO's ability to address real-time flexibility needs

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Flex RA can be tuned to better meet need

Current 3-hour product

» Insufficient ramping speed

» High minimum operating levels from both RA and flexible RA

» Significant quantities of long start resources may limit the ISO's ability to address real-time flexibility needs

Proposed 2 hour product

» Shorter duration resources can better meet ramping speed

» Shorter duration measure may ensure ISO commit more helpful resources for flex needs

» Shorter-measures reduce 'count' of resources likely unavailable for flexibility needs, e.g. real-time commitments

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