**Resource Adequacy Task Force**

March 3, 2014

PUC Directive: Find Solutions to help solve price reversal from ERS, Load Resource deployment, and RUC (0 – LSL).

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| Issue | Option | Proposal | Complexity | Market Impact | Consensus |
| ERS\* | Option One | Subtract out ERS from Rs when ERS is deployed in order to remove effect of deployment from reserve calculation. | Medium | Prevents price reduction to ORDC due to deployment of ERS. |  |
|  | Option Two | Include ERS to the Rs. When deployed, remove effect of deployment from reserve calculation. | Medium | Prevents price reduction to ORDC due to deployment of ERS.  It will increase the ORDC reserve when ERS is not deployed.  It results in divergence of PRC and ORDC. |  |
|  | Option Three | Add estimated ERS deployment to demand and then perform pricing run. | High | Does not prevent price reversal on ORDC.  Determines energy clearing price absent ERS deployment. |  |
|  | Option Four | Option One and Option Three. | High | Prevents price reversal on ORDC.  Determines energy clearing price absent ERS deployment. |  |
| Load RRS | Option One | ORDC already addresses the effect of Load RRS deployments in reserve calculation. | None | None |  |
|  | Option Two | Subtract out Load RRS when deployed for price formation. | Low | Prevents price reduction to ORDC due to deployment of Load RRS.  It results in divergence of PRC and ORDC when Load  RRS are deployed. |  |
|  | Option Three | Add estimated Load RRS deployment to demand and then perform pricing run. | High | Does not prevent price reversal on ORDC.  Determines energy clearing price absent Load RRS deployment. |  |
| RUC (0 – LSL) | Option One | Identify opportunities to reduce RUC deployments and Evaluate market impact of 0 – LSL on marginal clearing price. | None | TBD |  |
|  | Option Two | Remove entire HSL for RUC in ORDC calculation. | Low | Removes out-of-merit capacity from ORDC calculation.  PRC and ORDC reserves would diverge. |  |
|  | Option Three | Treat RUC 0-LSL as dispatchable and perform pricing run. | High | Determines energy clearing price by treating RUC 0 - LSL as dispatchable with a price. |  |
|  | Option Four | Leave RUC but increase minimum contingency level X by the amount of MW RUCed. | Medium | Removes out-of-merit capacity from ORDC calculation.  PRC and ORDC reserves would diverge. |  |
|  | Option Five | Option Two and Option Three. | High | Removes out-of-merit capacity from ORDC calculation.  PRC and ORDC reserves would diverge.  Determines energy clearing price by treating RUC 0 - LSL as dispatchable with a price. |  |

\*does not subject ERS to clawback or pay ERS the adder, not in the AS Imbalance

**Additional Issues that may need to be incorporated at the same time:**

* Revision to RUC floors to higher than $1000/MWh
* Release of the HASL
* What do you do with RMR resources?
* What do you do with firm load shed?