

Manual 18 Revisions: Issues for DER in RPM Auctions

MIC

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IMM



Monitoring Analytics

Market Power Mitigation Issue

- **The IMM has identified an issue in the proposed M18 changes for DER participation in the capacity market.**
- **All DER will be planned resources in the next auction.**
- **The market power mitigation rules for DER under Order 2222 apply based on the underlying resource type.**
- **Resources can avoid market power mitigation (MSOC and MOPR) by changing the underlying resource type from the plan to the delivery year.**

From Manual 18, Section 4.11.2

- **“Homogeneous DER capacity resources solely comprised of DR resources that do not participate in the wholesale capacity market with an injection onto the distribution system are not subject to MOPR or MSOC.**
- **All other DER capacity resources are subject to MOPR and MSOC rules.**
- **Homogeneous resources are subject to MOPR and MSOC based on their underlying technology.**
- **Heterogeneous resources are required to offer at \$0 MW-day UCAP or below an approved unit specific MSOC.”**

Solution

- **DER should not be allowed to change resource type from the auction to the delivery year because that can change the applicability of market power mitigation.**
- **The rule must be enforceable.**
- **DER of one type should not be allowed to satisfy the commitment of another DER type.**



New Proposed Language: Plan Requirements

- **DER Plan Requirements, Section 4.11.2**
- **The IMM proposes to add a new requirement to the list of plan requirements.**
- **The DER plan shall include:**
 - **Type of DER capacity resource: homogenous distributed generation, homogeneous demand response, or heterogeneous**



New Proposed Language: Commitments

- DER, Section 8.2.5
- The IMM proposes a new provision to the list of cleared resource commitment obligations.
- If the resource is not compliant, they will be required to replace with the same DER type or pay a capacity deficiency charge.
- A DERA may be unable to satisfy their RPM Resource Commitments during the Delivery Year for the following reason:
 - **Failure to maintain the same type of DER (DG or DR) homogeneous or heterogeneous from the DER commitment for the Delivery Year**

New Proposed Language: Officer Certification

- DER Officer Certification form, Attachment E
- Edited provision for the reasonable expectation to fulfill the plan

2. The Participant is submitting the Plan with the reasonable expectation, based upon its analyses as of the date of this certification, to submit the offer in the RPM auction and to physically deliver all megawatts that clear the RPM Auction through DER registrations with similar characteristics to and of the same type (homogenous distributed generation, homogenous demand response, or heterogeneous) as those submitted in the Plan by the specified Delivery Year.

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