

California Department of Water Resources State Water Project Comments On CAISO 2013 Stakeholder Initiative Catalog

October 23, 2013

On October 3, 2013, CAISO posted the 2013 Stakeholder Initiative Catalog, and followed this by a conference call on October 10, 2013. California Department of Water Resources State Water Project (SWP) appreciates the opportunity to provide comments.

2.6 Regulatory Must-Run Pump Load (D)

“The ISO has discussed its proposal with stakeholders in multi-round stakeholder conference calls. At the request of the market participants that the policy will directly apply to, the stakeholder process was suspended. The market participants need time to analyze the implications of the policy. The stakeholder process could be re-opened at the request of the market participants.”

SWP appreciates that CAISO is willing to keep this initiative alive and move the process of development forward. SWP agrees that SWP and CAISO had several rounds of conference calls. In response to 2012 initiative catalogue status, SWP provided an alternative solution on which discussions were focused. CAISO requested some information which SWP provided. SWP welcomes any effort to revisit the initiative.

8.3 Seasonal Local RA Requirements (D)

SWP supports assessment of local reliability on a more granular basis. To the extent ISO study yields lesser requirements for non-summer period, adopting an efficient measure without compromising reliability is prudent. It may lower the cost to market participants as it frees up redundant local capacity during non-summer months.

8.5 Standard Capacity Product for Demand Response (F)

Comments are on the section 8.6 as the ISO proposes to merge this initiative with the initiative *8.6 Use –limited Resource Adequacy and Must Offer Obligation (D)*.

8.6 Use –limited Resource Adequacy and Must Offer Obligation (D)

This initiative will establish Standard Capacity Product (SCP) availability payments and non-availability charges for demand response (DR) resources. In case of a generating

resource, SCP availability will be determined based on reported forced outages. The same concept may not apply to DR resource such as a pseudo-gen from a participating load used for RA. Forced outage and maintenance outage that is normally applicable to a generating resource is not defined for DR resources in the tariff and Business Practice Manual (BPM). There could be differences among wholesale and retail demand response programs in terms of what constitutes an outage. SWP anticipates that the stark contrast between a generating resource and a DR resource in terms of outages will be addressed adequately in this initiative thereby eliminating ambiguity in the tariff and BPM. Recently, SWP has provided a workable approach for SCP assessment for a participating load used for flexible RA in SWP's comments to ISO on Flexible Resource Adequacy Criteria and Must Offer Obligation (FRAC MOO) stakeholder process. The same approach should be considered in this initiative for a participating load.

11.2 Aggregated Pumps and Pump Storage (D)

SWP supports CAISO putting this initiative on the list in the 2013 Stakeholder Initiative Catalog. However, SWP disagrees with CAISO's description that PDR functionality was related to Participating Loads, or to SWP's pumping loads and pumping storage. SWP's facilities participate in the CAISO market as a wholesale level customer, not at the retail level. CAISO designed PDR for retail level customers to provide demand response services.

11.3 Electric Vehicle Charging Station Demand Response Product (D)

Is this an actual product or a proposal to add a new resource (Electrical Vehicle Charging Stations) to an existing program such as NGR or PDR? Is this proposal also meant to combine NGR with PDR?

SWP reserves further comment for the next version of Catalog.