

Stakeholder Comments Template

**Flexible Resource Adequacy Criteria and Must-Offer Obligation
Revised Straw Proposal, June 13, 2013**

Submitted by	Company	Date Submitted
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This template is for submission of stakeholder comments on the topics listed below, covered in the Flexible Resource Adequacy Criteria and Must-Offer Obligation revised straw proposal on June 13, 2013, and issues discussed during the stakeholder meeting on June 19, 2013.

Please submit your comments below where indicated. Your comments on any aspect of this initiative are welcome. If you provide a preferred approach for a particular topic, your comments will be most useful if you provide the reasons and business case.

Please submit comments (in MS Word) to fcp@caiso.com no later than the close of business on June 26, 2013.

1. The ISO is assessing how bid validation rules could work for flexible capacity resources that are subject to an economic bid must offer obligation. The ISO provided two examples of bid validation rules and potential interpretations. Please provide comments regarding how the ISO should address each of these examples and any others that may need to be considered.

Bid validation rules must accommodate periods where generators need to perform required operational tests (i.e. emission testing). While infrequent, such tests often require generators to operate at a fixed level for multiple hours. Developing rules that would disqualify generation resources from offering flexible capacity during periods of operational testing, or restricting offers that would ensure the resource operates at a fixed level is unrealistic and disconnected from actual operations.

As expressed on the June 19th meeting, an ISO requirement for performing operational testing is a SLIC ticket. One option the ISO may want to consider is developing validation rules that check for SLIC outages. This check can be performed prior to validating offers from flexible capacity resources that may be unable to offer an economic bid for its entire flexible capacity range.

2. The ISO is proposing that all flexible capacity resources should be required to submit economic bids between 5:00 am and 10:00 pm. Please provide comments regarding this proposed must-offer obligation. Please connect to the response to this question to any responses to questions **Error! Reference source not found.** or 2 as appropriate.

As expressed above any must offer obligation requiring economic bids must allow for generators to perform required operational testing. In addition, further discussion on must offer obligation rules for MSG resources is needed. Real-time market structural issues, such as disconnects between RTC and RTD pricing processes, need to be considered prior to finalizing must offer rules.