

## **Stakeholder Comments**

<b>Submitted by</b>	<b>Company or Entity</b>	<b>Date Submitted</b>
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### **Comments and Questions 2020 CAISO Budget and GMC**

The Modesto Irrigation District (“MID”) and City of Santa Clara, California, dba Silicon Valley Power (“SVP”) thank the California Independent System Operator Corporation (“CAISO”) for the opportunity to submit comments and questions both at and following the July 23, 2019 stakeholder meeting regarding the CAISO’s 2020 Budget and Grid Management Charge (“GMC”).

**Following up on matters discussed during the July 23 Stakeholder Meeting regarding CAISO’s 2020 Budget and GMC process, including associated financial statements and documents, MID and SVP request that the CAISO provide responses to the following questions:**

**Regarding the CAISO’s Financial Summaries:**

- 1) On page 3 (Capital Projects Report) of the “Quarterly Financial Report (June 30, 2019)” and “Quarterly Financial Report (March 31, 2019)”, please explain whether the “Grid Evolution Readiness and Regional Innovation Opportunities” project classification (for which the \$1.15 million budget has not been expended through Q2) is intended to cover the anticipated extended day-ahead market (“EDAM”) initiative. If not, please explain what this project classification will cover, if anything, in Q3 and Q4 of 2019.
  
- 2) On page 3 (Capital Projects Report) of the “Quarterly Financial Report (June 30, 2019)” and “Quarterly Financial Report (March 31, 2019)”, please explain why the “Focus on Customer Service and Other Costs” category exceeded the 2019 budget in Q1 by \$550,000, and where in the budget CAISO plans to recover this excess.

3) On page 32 of the “CAISO Financial Statements (December 31, 2018 and 2017)”, the PWC audit describes changes in CAISO’s Retirees Medical Plan effective January 1, 2019. Please explain how these changes to the retirement plan are anticipated to impact the CAISO’s budget, if at all, in 2020.

**Regarding the CAISO’s “Preliminary Project Listing 2020-2021”:**

- 1) Please describe what improvements the “TAC billing” project is intended to cover, and how this item relates, if at all, to the “Transmission Access Charge Structure Enhancements” line item (Capital ID #21377) listed in “California ISO Active Projects as of June 30, 2019.”
- 2) Please explain the anticipated budget, if any, for the “Storage as a Transmission Asset” project, relative to the “Energy storage and distributed energy resources (ESDER) phase 4” project.
- 3) Please explain the anticipated budget for the “FERC Order 841 removes barriers to the participation of electric storage resources” project, and its relation, if any, to the “FERC 841- NGR Model” line item in “California ISO Active Projects as of June 30, 2019” (Capital ID # 21363). Please distinguish what each of these projects is intended to cover.
- 4) Please explain the distinction between the “Technology robustness 2020” and “Technology system improvements (TSI)” projects in terms of what each project will address.
- 5) Please explain the “Vulnerability scanner” project. Please also indicate whether this project relates to compliance with NERC Reliability Standard CIP-008-6, or other cybersecurity standards.
- 6) CAISO recently indicated in the Resource Adequacy (“RA”) Enhancements stakeholder initiative that enhancements would need to be made to its Outage Management System (“OMS”) in order to determine resource-specific forced outage rates and to track outage rates as part of its System RA “UCAP” proposal.<sup>1</sup> Please indicate which, if any, of the following projects would apply to enhancements to OMS: (a) “Customer ISO resource adequacy (CIRA) technical enhancement”; (b) “Outage optimization Phase 2”; (c) “Resource adequacy enhancements”; and (d) “Robustness (data streams quality) improvements.” Please describe which, if any, of the above listed projects, a) through d), would apply to any other activities proposed to be undertaken in the CAISO’s RA Enhancements stakeholder initiative. Please describe what each project listed above, a) through d), would entail.

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<sup>1</sup> See e.g., Revised Straw Proposal (July 1, 2019) at 14, 18,  
<http://www.caiso.com/Documents/RevisedStrawProposal-ResourceAdequacyEnhancements.pdf>.

7) Please describe what the “Flexible ramping product enhancements” project budget would entail.

**Regarding the “California ISO Projects Completed July 2018 through June 2019” document:**

- 1) Please explain what the “HANA NON Capital” line item (Capital ID # 21365) entailed. Please explain whether this line item was associated with Reliability Coordinator (“RC”) customers solely during the initial onboarding phase (where customers commenced receiving RC services from RC West as of July 1, 2019). Please explain whether additional costs are expected for HANA NON Capital as more RC customers onboard in Fall 2019 and in which project category these costs are budgeted.
- 2) Please describe what expenditures the “LMPM Enhancements” line item (Capital ID # 21374) covered. Please explain how the completed project differs, if at all, from the “LMPM Enhancements” project (Capital ID # 12431) included in the “California ISO Active Projects as of June 30, 2019”, including an explanation of the increase in the approved budget between the 2018 approved item and the 2019 approved item.
- 3) Please explain what the “2017 Hardware and Software Purchases” project (Capital ID #12639/12640) included.

**Regarding the “California ISO Active Projects as of June 30, 2019” document:**

- 1) With respect to the line item “Day Ahead Market Enhancements” (Capital ID # 12418) for which a \$258,500 budget was approved in 2018, please explain whether the project budget will be reduced, now that CAISO is not pursuing 15-minute scheduling.
- 2) Please describe what improvements the “Software Security Implementation” line item (Capital ID # 21381) includes and whether those improvements will be pursued in Q3 and Q4.