

**Reliability Coordinator Services  
Rate Design, Terms and Conditions**

**COMMENTS TEMPLATE**

Company	Contact Person	Date Submitted
Metropolitan Water District of Southern California	Tim Cherry <a href="mailto:tcherry@mwdh2o.com">tcherry@mwdh2o.com</a> 213-217-7185	August 9, 2018
Arizona Electric Power Cooperative, Inc.	Shane Sanders <a href="mailto:ssanders@azqt.coop">ssanders@azqt.coop</a> 520-586-5239	

Please use this template to provide your written comments on the stakeholder initiative  
**“Reliability Coordinator Services Rate Design, Terms and Conditions”**

Submit comments to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com)

**Comments are due August 10, 2018 by end of day**

**Reliability Coordinator Services Agreement (RCSA)**

**Comment:** RCSA, Section 1.1.4, Person – Add non-profit corporation to the definition of a Person.

**Comment:** RCSA, Section 2.3, Description of RC Customer Responsibilities – Suggest more clarification in this document for RC Customers who offer Transmission Operator services to multiple TOs in different BAAs such as append the following at the end of Section 2.3 (per Section 19 in the Tariff):

*“A separate RCSA is envisioned depending on the RC Customer responsibilities: (i) Balancing Authorities, (ii) Transmission Operators in Balancing Authority Areas External to CAISO; and (iii) Transmission Operators in the CAISO BAA”.*

**Comment:** RCSA, Section 3.2, Termination – Add a new section that would address the unilateral termination of the RCSA by the CAISO for reasons other than the default of a RC Customer under Section 3.2.1. Request new language be added such as:

*“The CAISO may terminate this Agreement by giving not less than a one year prior written notice of termination to the RC Customer for reasons other than the RC Customer’s default covered by Section 3.2.1 . Further in accordance with Section 3.2.3, the CAISO will provide transition assistance to the RC Customer during the transition period.”*

**Comment:** RCSA, Section 3.2.2, Termination by RC Customer – This section states that RC Customers who provide less than 12 months’ notice of termination for RC Services that are “being billed directly” are responsible for the amount remaining on the 12 month required notice period. If a RC customer such as a Transmission Operator is not billed directly, is the Balancing Authority responsible to make up such amounts on behalf of the departing Transmission Operator? This apparent gap should be addressed.

**Comment** RCSA, Section 5.2.1, Default NEL MWh – Recommend removing the 1.25 adder for those RC Customers outside the CAISO BA that provide WECC-approved NEL. See Tariff Section 19.6 (c) below regarding the same comment.

**Comment:** RCSA, Section 8.3, Recovery for Third Party Indemnity – Suggest adding “CAISO” after “arising out of the”, and after “performance” delete “of this Agreement in violation of Section 8.2 herein”. This comment is intended to provide clarity as to the reviewers understanding of this section.

**Comment:** RCSA, Schedule 1, RC Customer Required Information – Reference to Section 5.3 should be Section 5.2 for those RC Customers who do not provide WECC-approved NEL. See comments for Tariff Section 19.6 (c) and RCSA Section 5.2.1.

### **Reliability Coordinator Tariff Section 11**

**Comment:** Tariff Section 11.20.9.4 (a), Validation – The period of five Business Days is a very short period for validation. Consider extending the period to 15 Business Days to allow the RC Customer to notify its BAAs, TOPs and TOs.

**Comment:** Tariff Section 11.20.9.5 (a), Disputes and Corrections – Delete “is due to a mere typographical or other ministerial error”.

**Comment:** Tariff Section 11.20.9.5 (c), Disputes and Corrections – Delete “a typographical or other ministerial” and replace with “an”.

**Comment:** Tariff Section 11.20.9.6, Payment Default – Suggest that this section be modified so the collection of funds due to a RC Customer default will be captured in the next CAISO annual budgetary process.

#### **Reliability Coordinator Tariff Section 14**

**Comment:** Tariff Section 14.7.2.2 Notice to Affected Market Participant – Suggest “RC Customer” be inserted into the title of this subsection as well as following the “inform the” in both (i) and (iii) in the second sentence consistent with the addition of that term in the first sentence.

**Comment:** Tariff Section 14.7.2.5, Payment of Allocated Amount – As called for in Section 14.7.2.4, any FERC penalties levied against RC Customers should be allocated based on the proportion of each entity’s relative fault. The allocation of such penalties in Section 14.7.2.5, however, should address how each RC Customer’s allocations will be applied to its respective BAAs, TOPs and TOs listed in RCSA Schedule 1. This allocation also should be based on the proportion of each entity’s relative fault. Therefore, only those entities, but not necessarily all entities, listed in RCSA Schedule 1 that were found to be at fault will be allocated a penalty.

**Comment:** Tariff Section 14.7.3.3, Payment of Allocated Amount – Similar to Tariff Section 14.7.2.5 above, suggest adding similar language to address the appropriate allocation of penalties.

#### **Reliability Coordinator Tariff Section 19**

**Comment:** Tariff Section 19.2 (b) (5), Onboarding Period – Should the scope of the section not only include the Balancing Authority, but also the Transmission Operators?

**Comment:** Section 19.6 (c), Failure to Submit Data – Recommend removing the 1.25 adder for those RC Customers outside the CAISO BA that provide WECC-approved NEL.

**Comment:** Tariff Section 19.7 (d) (3), Validation – The period of five Business Days is a very short period for validation. Consider extending the period to 15 Business Days.

**Comment:** Tariff Section 19.7 (d) (4), Disputes – Delete “that” and add “for”, and delete the remainder of the sentence after “invoice”.

**Comment:** Tariff Section 19.7 (d) (6), Corrected Invoices – Delete “a typographical or other ministerial” and replace with “an”.

**Comment:** Tariff Section 19.7 (e) (5), Default Collection Procedures – Suggest that this section be modified so the collection and crediting of funds due to a RC Customer default be captured in the next CAISO annual budgetary process.

**Reliability Coordinator Tariff Sections 11, 14 and 19**

**Comment:** Use of RC Customers or RC Customer(s) and Market Participants or Market Participant(s) should be consistent throughout.