

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and perform Long-Term Gas System Planning

Rulemaking 20-01-007
(Filed January 16, 2020)

**REPLY COMMENTS OF THE
CALIFORNIA INDEPENDENT SYSTEM OPERATOR CORPORATION**

I. Introduction

Pursuant to the October 2, 2020 Assigned Administrative Law Judge’s Ruling Issuing Workshop Report and Staff Recommendations, Seeking Comment, and Modifying Proceeding Schedule (Ruling), the California Independent System Operator Corporation (CAISO) provides the following reply comments.

II. Discussion

The CAISO responds to comments related to Scoping Memo Issue 3 below.

Scoping Memo Issue 3: Should pipeline operating procedures, such as those for curtailments and operational flow orders, be uniform across the state? Would there be any market and reliability impacts if pipeline operating procedures were not uniform? Staff recommends PGE conform to SoCalGas’ winter OFO structure.

Consistent with the majority of parties¹, the CAISO supports Staff’s recommendation to extend SoCalGas’ winter OFO penalty structure after the rules expire on October 31, 2021.² The CAISO also supports SCE’s specific request that if the Commission does not extend the summer OFO penalty structure, to allow Commission Energy Division the authority to implement such a structure on short notice.³

¹ See for example opening comments from: EDF, Indicated Shippers, PG&E, SCE, SCGC, SoCalGas, and TURN.

² See D.19-05-030.

³ SCE opening comments, p. 6.

Lastly, it may be worthwhile for the Commission to consider Southern California Edison Company's (SCE's) suggestion to allow for voluntary curtailment, as is permitted under Pacific Gas & Electric Company's curtailment logic, for the SoCalGas system.⁴ The CAISO agrees with SCE that generators may be incentivized to contribute to gas system stability by selling more gas during high OFOs, or bringing in more gas during low OFOs, as a first line of defense before initiating mandatory curtailments.

III. Conclusion

The CAISO looks forward to working with the Commission and parties to determine how to operate the gas system to reliably meet electric generation needs.

Respectfully submitted,

By: /s/ Jordan Pinjuv

Roger E. Collanton

General Counsel

Anthony Ivancovich

Deputy General Counsel

Jordan Pinjuv

Senior Counsel

California Independent System

Operator Corporation

250 Outcropping Way

Folsom, CA 95630

Tel.: (916) 351-4429

Fax: (916) 608-7222

jpinjuv@caiso.com

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⁴ SCE opening comments, p. 5.