

Pacific Gas and Electric Company Stakeholder Comments

Submitted By	Company	Date Submitted
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PG&E appreciates the opportunity to comment on the CAISO's Aliso Canyon Phase 3 Draft Final Proposal (the "proposal"), published June 22, 2017. PG&E continues to support extending the market measures included in the proposal to support system reliability. PG&E appreciates the CAISO's inclusion in the proposal to automate incorporating gas constraints into the dynamic competitive path assessment (DCPA).

Looking ahead, with CAISO's proposal to have the authority to enforce gas nomograms in the CAISO and EIM Balancing Authority Areas, there are several details about process and implementation that have yet to be defined. These include the development of operational procedures for defining when and how a gas constraint will be enforced and how the DCPA will work. There are also design items that continue to be 'open-ended' and are expected to be refined over time. These include modeling resource-specific, bid-segment-specific heat rates in the gas constraint and potential changes to gas constraint penalty prices.

PG&E would appreciate continued transparency regarding these open items. CAISO should keep stakeholders engaged as these design changes progress, particularly regarding the following implementation issues:

- Development of gas system operator or EIM-specific procedures that determine when and how gas constraints will be enforced
- Design of an automated process for incorporating gas constraints into the dynamic competitive path assessment (DCPA)
- Incorporating resource-specific, bid segment-specific heat rates into the modeling of the gas constraints instead of average heat rates
- Potential changes to gas nomogram penalty prices to reflect a lower priority than electric transmission constraints
- Technical bulletin describing how CAISO will determine when to suspend or limit virtual bidding when gas constraints are enforced