Standard Capacity Product Phase II

Cynthia Hinman

Stakeholder Conference Call
December 11, 2009
ISO Stakeholder Process

Standard Capacity Product Phase 2

We are here.

1. Project is triggered
2. Issue ID Paper
3. Straw Proposal
   Draft Final Proposal
   Board of Governors
   FERC

Opportunities for Stakeholder Input
# Meeting Agenda

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<td>10:00-10:10</td>
<td>Introduction</td>
<td>Chris Kirsten</td>
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<td>10:10-10:30</td>
<td>SCP Overview</td>
<td>Cindy Hinman</td>
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<td>10:30-11:00</td>
<td>Issues Discussion</td>
<td>Cindy Hinman</td>
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<td>11:00-11:15</td>
<td>Next Steps</td>
<td>Chris Kirsten</td>
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In June 2009, FERC approved in part and rejected in part the standard capacity product filing.

- Agreed to new RA rules which include a standard capacity product for 2010
- Deferred implementation of
  - Resources whose qualifying capacity is determined using historical outage data
  - Demand Response
- Directed the ISO to work with stakeholders to sunset the deferral as soon as possible
What types are resources were deferred from initial implementation?

- Qualifying Capacity based on historical outages
  - Wind
  - Solar
  - Non-dispatchable cogeneration
  - Non-dispatchable biomass
  - Non-dispatchable geothermal facilities
- Demand Response
The goal is for SCP to apply to all RA resources. This includes:

- Availability Standards
- Availability Incentives
- Unit Substitution
- Grandfathering
Role of CPUC and LRAs

- CPUC RA OIR proceeding running concurrently with ISO SCP II stakeholder process
- Need to address:
  - Changes to counting rules to eliminate the “double counting” issue
  - Coordination of Demand Response rules between CPUC and ISO
Next Steps

- December 18, 2009 – Stakeholder comments due on issue paper
- January 20, 2010 – Post Straw Proposal
- January 26, 2010 – Stakeholder Meeting to discuss Straw Proposal
- February 3, 2010 – Stakeholder Comments due on Straw Proposal
- February 10, 2010 – Post Draft Final Proposal
- February 18, 2010 – Stakeholder conference call to discuss Draft Final Proposal
- February 24, 2010 – Stakeholder comments due on Draft Final Proposal
- March 25, 26 – Board of Governors meeting