

Stakeholder Comments

SCE Comments on Flexible Ramping Product

Submitted by	Company	Date Submitted
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The following are Southern California Edison’s (SCE) comments on the California Independent System Operator’s (CAISO) December 17, 2015, Revised Draft Final Proposal¹.

While the CAISO proposes to procure the flexible ramping product (FRP) separately for different EIM BAA entities, SCE recommends the CAISO consider more granular procurement, such as using the existing Ancillary Services (AS) regions. Without a locational component, the CAISO may procure FRP that is ultimately stranded due to congestion, and thus unable to serve its intended need. This will likely lead to the CAISO further increasing procurement targets for the affected areas. Such an outcome would be unreasonable and inefficient.

On the FRP for uncertainty settlement, SCE supports settling the payment to resources and allocating the cost at the same time to avoid a monthly resettlement, but SCE does not support grouping the FRP uncertainty uplift cost into two groups: On-Peak and Off-Peak. SCE understands that the benefit of procuring for uncertainty is realized over a period of time, but it is important to provide transparency of the FRP uncertainty procurement by settlement intervals since the payments are made for specific applicable binding intervals. On the cost allocation of FRP uncertainty, since there is no netting between settlement intervals within each category of Load, Supply and Intertie, SCE does not see any advantage gained summarizing gross positive UIE and gross negative UIE of each category over the On-Peak and Off-Peak periods for this cost allocation, but it will require additional processing to disaggregate and validate.

¹ <http://www.caiso.com/Documents/RevisedDraftFinalProposal-FlexibleRampingProduct-2015.pdf>