

Stakeholder Comments

Flexible Ramping Products Incorporating FMM and EIM Draft Proposal

Submitted by	Company	Date Submitted
Aditya Chauhan – (626) 302-3764	Southern California Edison	January 2, 2014

The following are Southern California Edison's (SCE) comments on the California Independent System Operator's (CAISO) December 4, 2014, Draft Final Proposal¹. SCE thanks the CAISO for its work on this initiative. SCE supports the need for flexible ramping. However, SCE cannot fully support a proposal until the CAISO fully articulates, details, and illustrates the proposal. At this point, given the limited explanation, examples, and data provided by the CAISO, SCE does not sufficiently understand the CAISO proposal. At a minimum, the CAISO needs to provide detailed calculations of their procurement proposal. This should provide some unambiguous understanding of the proposal methodology for determining need. For complete comprehension, SCE strongly encourages the CAISO to provide a detailed simulation with actual market data so the impacts on price formation of Flexi-ramp, as well as impacts on other products, can be better understood.

The lack of detail and clarity regarding the mechanics has been reflected in the published proposals throughout the entire process and was even raised in SCE's prior comments². SCE appreciates the CAISO's effort in introducing some clarity in a section of the prior proposal³. Such clarity should be applied to the entire proposal. However, the abstract concept is still not understood by SCE. Detailed procurement calculations cannot be substituted by detailed steps of the abstract. Calculations and simulations will eliminate misinterpretation of the CAISO's proposal and SCE requires these as a minimum. This is obvious as the current Draft Final

¹ http://www.caiso.com/Documents/DraftFinalProposal_FlexibleRampingProduct_includingFMM-EIM.pdf, http://www.caiso.com/Documents/SCEcomments_FlexibleRampingProduct_StrawProposal.pdf, and

² <http://www.caiso.com/Documents/SCEComments-FlexibleRampingProductRevisedStrawProposal.pdf>.

³ Listing of steps (a) through (k), Pages 13, 14.

http://www.caiso.com/Documents/RevisedStrawProposal_FlexibleRampingProduct_includingFMM-EIM.pdf

proposal fails to answer many questions, and instead contains inconsistencies, pointed out by stakeholders at several forums, including the most recent Market Surveillance Committee meeting⁴. The CAISO should address these concerns detailed in the comments of Pacific Gas & Electric (PG&E).

1. The CAISO should perform a detailed Simulation before finalizing FRP.

SCE strongly encourages the CAISO to provide detailed simulation results of the entire FRP process prior to Board of Governor presentation.

2. The FRP proposal requires a regional component to be reasonable.

SCE will not support the CAISO proposal without detailed definition and elaboration in the paper on regional procurement of the FRP.

⁴ December 16, 2014.