

Stakeholder Comments

Revised 2017 Stakeholder Initiatives Catalog

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Southern California Edison (SCE) offers the following comments on the 2017 Stakeholder Initiatives Catalog¹ of the California Independent System Operator (CAISO).

RDT Attribute Reporting Responsibility (RARR) should be prioritized as the highest in the ranking process and immediately begun as a stakeholder process

In addition to reiterating its prior comments², SCE supports the initiation of a stakeholder process, RDT³ Attribute Reporting Responsibility (RARR). SCE understands that the reporting responsibilities of attributes in the RDT can be clearly demarcated between generators and non-generators. Clear separation of attribute reporting responsibility between generators and non-generators will also facilitate accurate reporting of such attribute values to the CAISO. The CAISO and the DMM have frequently expressed their strong support, in many forums, of accurate reporting of generator attributes within RDTs.

The RARR is a key enabler of the CAISO's and the DMM's policy positions in processes like Commitment Cost Enhancements. It ranks 10 in terms of Grid Reliability, Improving Market Efficiency, and Stakeholder Desirability. Further, it is not a cost that requires CAISO resources and has the highest implementation feasibility.

Thus, it seems consequential that the CAISO should prioritize the RARR with the highest ranking in the stakeholder catalog and begin its stakeholder process immediately.

¹ http://www.caiso.com/Documents/RevisedDraft_2017StakeholderInitiativesCatalog.pdf and http://www.caiso.com/Documents/Draft_2017PolicyInitiativesRoadmap.pdf

² http://www.caiso.com/Documents/SCEComments_Draft2017StakeholderInitiativesCatalog.pdf

³ Resource Data Template

Infrastructure and Planning – GIDAP and Industry Generation Procurement Solicitations Alignment Opportunities

Based on First Solar's comments on the 2017 Draft Stakeholder Catalog⁴, the CAISO added GIDAP and Industry Generation Procurement Solicitation Alignment Opportunity as item 6.9.2. to its Revised 2017 Stakeholder Initiatives Catalog. In its response to stakeholder comments⁵ the CAISO stated that First Solar's suggestion "would be a significant shift from the current tariff rules that were developed in the recent Generation Interconnection and Deliverability Allocation Procedures (GIDAP) stakeholder effort" and that it was eager to hear the load serving entity procurement teams' perspectives. Given the complex interaction between the interconnection process, timing and content of attestations, and generation procurement practices, SCE supports stakeholder review of the CAISO's GIDAP to ensure it is functioning appropriately and as intended, and to hear concerns and suggested improvement from stakeholders. Holding a review process early in the year would allow changes – if warranted – to be effectuated before the next study cycle. Within this context, SCE supports a higher ranking for item 6.9.2.

Demand Response Resource Counting and Must-Offer Obligation (MOO)

SCE is concerned with the current resource counting and MOO rules for weather-sensitive Demand Response (DR), where such resources are exposed to Resource Adequacy Availability Incentive Mechanism (RAAIM) penalties even when they perform as expected.

To avoid RAAIM penalties, each RA resource must be bid at the associated Qualifying Capacity (QC), which is generally⁶ determined based on expected weather conditions, associated historical and forecast customer load impacts (potential reductions), and projected customer enrolments. This poses a challenge for weather sensitive DR programs since they may fluctuate in capacity on any given day. That is, resources that perform as expected may be penalized on cooler days. In establishing the QC, the DR resource historical performance under varying temperature conditions has already been considered throughout the Load Impact Protocols, and the final MW number approved by the CPUC already considers the weather impacts on performance – AC cycling will yield higher MW on hot days (when the grid needs DR the most), and less MW on

⁴ http://www.caiso.com/Documents/FirstSolarComments_Draft2017StakeholderInitiativeCatalog.pdf

⁵ http://www.caiso.com/Documents/CommentsMatrix_Draft2017StakeholderInitiativesCatalog.pdf

⁶ For some resources, such as the ones contracted through the Demand Response Auction Mechanism (DRAM), the QC is determined based on the contracted capacity.

cool days (when the grid peak needs are lower). SCE has previously suggested that weather sensitive programs such as the AC Cycling programs be treated as variable resources similar to wind and solar – if due to weather conditions there is an impact to performance, they are not directly penalized. Instead, their qualifying capacity reflects their historical performance, and expected contribution to meeting the grid needs.

SCE recommends the CAISO including the MOO for weather-sensitive DR and associated RAIM penalties in the Catalog as an issue with that should be addressed promptly, considering its potential financial impacts to market participants and potential reliability impact.