

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative “Capacity Procurement Mechanism Risk-of-Retirement (“CPM ROR”) Process Enhancements.”

Submit comments to InitiativeComments@CAISO.com

Comments are due June 1, 2017 by 5:00pm

The Issue Paper posted on May 10, 2017 and the presentations discussed during the May 18 and 25, 2017 working group meetings can be found on the [CPM ROR](#) webpage.

Please use this template to provide your written comments on the issue paper topics listed below and any additional comments that you wish to provide.

1. Problem Statement and Scope of Initiative

Please provide any comments on the problem statement and scope of this initiative.

Comments:

SDG&E appreciate the discussions the CAISO have led throughout the workshops. The issue of providing adequate timing will never be truly resolved because every resource owner will elect to make certain business decisions differently with respect to their own business.

The existing process does not provide the CAISO with such option as each request must be evaluated separate from one another in the order that comes into the CAISO. As such, SDG&E is supportive of enhancing the existing process so that the CAISO has better capability to choose the right resources that needs to remain online for reliability purposes.

2. Identified Issues

Please provide any comments on the issues that have been identified thus far in the initiative, including if there are other issues that you would like to identify.

Comments:

SDG&E does not take position on the issue of the affidavit. SDG&E does believe that the Risk of Retirement process should be developed such that resources do not try to discover if they are needed prior to the procurement cycle. The seriousness of the affidavit should continue to play a role in the enhanced process.

3. Other Comments

Please provide any additional comments not associated with the topics listed above.

Comments:

SDG&E understands that the certain generator owners wish for earlier certainty than the current process allows. This would provide the company with time and the ability to plan and reallocate their resources after the generator actually retires. This is a reasonable request. However, the timing of a response by the CAISO must not front run the existing capacity market construct.

Based on the existing processes for CPM ROR, RMR and normal retirement, each time a resource submits a request, the CAISO must perform a unique study specific for that resource. This inefficient process does not provide the CAISO with any options to select the most necessary resources for reliability. Instead, the CAISO may let a much needed resource retire and keep a lesser needed resource from retirement just because the latter resource requested a day, a minute or a second later.

SDG&E makes the following recommendations for the CAISO's initial proposal.

1. Consolidate the CPM ROR, RMR and normal retirement process into one single process for designation
2. Establish a deadline in which the CAISO will consider requests for the following year
3. Allow resources under RA contract to request retirement if such resources are uncontracted for the entirety of the following year
4. Resources will be placed on temporary suspension if not currently under RA commitment starting 90 days from the day of request and lasting until when the resource is allowed to retire

5. Because the resource is placed under temporary suspension, any additional studies for the intra-year will be study the reliability impact through the temporary suspension of resource operation process for the need for the remainder of the year
6. The CAISO will study all retiring resource requests in a cluster at the same time for years two and three, and have better capability to select the resources that will be allowed to retire
7. If a resource misses the deadline, then it may be placed under temporary suspension until the following year's study process

This process would essentially remove the normal retirement process. This is necessary since the CAISO studies the reliability impact for normal retirements even if the resource does not seek for CPM ROR. Developing this process will have two benefits

1. Allows CAISO to select which resource should be kept from retirement through a standardized process rather than first come first served basis and
2. Ensures that no resource can front run the bilateral capacity market construct.

SDG&E looks forward to future discussion on this topic.