

# Stakeholder Comments Template

## Reliability Services Initiative - Phase 2

### Revised Draft Final Proposal

Submitted by	Company	Date Submitted
<i>Nuo Tang</i> 858.654.1818	<i>San Diego Gas &amp; Electric Company</i>	<i>July 25, 2016</i>

This template has been created for submission of stakeholder comments on the revised draft final proposal for the Reliability Services Initiative - Phase 2 that was posted on July 7, 2016. The revised draft final proposal and other information related to this initiative may be found at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/ReliabilityServices.aspx>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **July 21, 2016**.

If you are interested in providing written comments, please organize your comments into one or more of the categories listed below as well as state if you support, oppose, or have no comment on the proposal.

1. Clarify Local Regulatory Authority (LRA) interaction and process alignment. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*
2. Substitution for flexible capacity resources on planned outage. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*

SDG&E requests a more detailed proposal for how the ISO will determine the need and MW amount of substitution for flexible capacity resources on planned outage. The current process for generic capacity on planned outage only requires substitute capacity if the total system capacity is below the total system requirement. The discussion presented so far only focuses on how a substitute resource must comply with the MOO of the flexible resource on outage. The discussion ignores the existing process of planned outage substitution at T-45 versus after T-45.

Therefore, SDG&E requests the ISO to provide additional details in its final proposal to ensure clarity of the substitution process. SDG&E recommends two discussion points. First, how does the ISO expect substitution process to work at the T-45 stage. Will the SC provide Specified capacity as well as non-specified capacity? Will the non-specified capacity require a specific flexible category or will it be based on the category identified on the EFC list. Will

the ISO determine substitution need based on last in first out? Will the ISO determine partial substitution need based on the total system capacity that's provided. Or will the ISO require full substitution regardless of the total system capacity. How might substitute capacity work for the combined flexible resource? SDG&E does not believe a process is needed to confirm that resources of lower quality could substitute for high quality resources on outage.

Second, after the T-45 time frame, will planned outages for flexible capacity attributes be allowed to request for short term opportunity outages and off-peak opportunity outage nature of works? Will the ISO also require substitution based on last in first out?

3. Separate local and system RA for purpose of forced outage substitution. Please state if you support (please list any conditions), oppose, or have no comment on the proposal.

SDG&E does not support the unbundling of Local and System RA attributes for showing purposes. SDG&E believes the ISO's proposal actually creates additional problems. The ability to unbundle Local and System RA creates an incentive to withhold capacity all together and offer it into the ISO's CSP for CPM to obtain a higher price because the ISO's CPM process only backstop procures a bundled product for generic RA capacity. Unbundling for showing purposes creates additional implementation for market participants. It is likely that the ISO will need to adjust its RA templates to account for this unbundling for the showing. This would require separate tracking of the MWs in each attribute for the same resource. ISO has proposed to bundle the System with Local and unbundle any incremental System attribute. This will cause much confusion for market participants to track the total MW amount. Such unbundling would also impact outage substitution within CIRA. CIRA would need to unbundle how resources substitute. This is not a simple change to CIRA or for market participants. Given the amount of effort the ISO has taken to implement RSI 1A but unable to actually meet its original deadline, SDG&E does not have any confidence the ISO will be able to implement this change properly without exorbitant costs to market participants. The ISO has not given sufficient time for the new RAAIM price to take effect to see if the issue that was brought up has been remedied.

SDG&E believes the problem is the need for Local capacity substitution rather than how capacity is shown. SDG&E proposes that ISO should revisit whether Local capacity is "needed" to be replaced if sufficient Local capacity is available to the ISO. If there is sufficient local capacity, then the Local resource would only need to substitute with system capacity if there is not sufficient total system capacity.

4. Process to update EFC list during the year. Please state if you support (please list any conditions), oppose, or have no comment on the proposal.
5. Address the RAAIM exemption currently in place for combined flexible capacity resources. Please state if you support (please list any conditions), oppose, or have no comment on the proposal.

6. Streamlining monthly RA showings. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*

7. RA showing requirements for small LSEs. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*

8. Other

SDG&E does not support the ISO's proposal in its current form due to lack of detail and solution provided. SDG&E does not believe the ISO should present its proposal to the Board of Governors in August. SDG&E recommends the ISO to hold an additional workshop or meeting to discuss these concerns.