

Stakeholder Comments Template

Subject: Regional Resource Adequacy Initiative

| Submitted by | Company | Date Submitted |
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This template has been created for submission of stakeholder comments on the Third Revised Straw Proposal for the Regional Resource Adequacy initiative that was posted on September 29, 2016. Upon completion of this template, please submit it to initiativecomments@caiso.com. Submissions are requested by close of business on **October 27, 2016**.

Please provide feedback on the Regional RA Third Revised Straw Proposal below.

The ISO is especially interested in receiving feedback that indicates if your organization supports particular aspects of the proposal. Alternatively, if your organization does not support particular aspects of the proposal, please indicate why your organization does not support those aspects.

Silicon Valley Power (“SVP”) appreciates the opportunity to provide the following comments on the CAISO’s September 29, 2016 Third Revised Straw Proposal (“Proposal”) of the Regional Resource Adequacy Initiative:

Load Forecasting

SVP has read and supports the Load Forecasting comments provided by NCPA in its submittal to the CAISO of October 25, 2016.

Additionally, SVP emphasizes that the documentation requirements are overly aggressive, especially because the CAISO has not identified any problems with the current load forecasting mechanisms. SVP asserts that a more reasonable approach is to maintain the current level of documentation, and require additional forecast information only if there are transparent concerns with a particular forecast on a case by case basis.

Further, on Page 9, second paragraph of the Proposal, the CAISO states, “For example, under the ISO’s proposal, the California Energy Commission (“CEC”) could continue conducting the load

forecasting for California LSEs in the existing ISO balancing area with minimal impact to the current process.” SVP previously commented that load forecasting should remain consistent with the requirements of the existing CEC forecast process and supports the concept expressed by the CAISO. However, although the CAISO’s statement is encouraging, the CEC, during the October 6th stakeholder meeting, appeared to raise concerns about the level of detail required in this process as described in the Proposal, and SVP is concerned that the “minimal impact” element of CAISO statement is inconsistent with the level of documentation the CEC would be required to produce. SVP prefers a simplified process, such as the one that exists today between the CEC and the publicly owned utilities. Depending on the amount of change or additional details that are eventually agreed upon by the CAISO and CEC, LSEs should be given the option of accepting the CEC forecast or submitting its own forecast directly to the CAISO. SVP also questions why the extensive detail is being proposed as part of the forecasting process if the CAISO can ultimately override the forecast submitted by LSEs?

If the CAISO ultimately requires information on forecasting methodologies, when does the CAISO intend to provide its guidance on acceptable statistical methodologies, and how much discretion will be left up to LSEs?

Reliability Assessment

SVP has read and supports the Reliability Assessment comments provided by NCPA in its submittal to the CAISO of October 25, 2016.

Submission to FERC: Conceptual Proposals vs. Tariff Language

In Section 5.8 on page 44 of the Proposal, the CAISO states, “The ISO...will provide the details on specific changes to the tariff language to accomplish this proposal during the tariff stakeholder process.” The CAISO also added clarity with the footnote that states “The ISO’s tariff stakeholder process is conducted after the policy stakeholder process is complete but before the tariff language is filed with FERC.” In addition, the CAISO’s October 18, 2016 Regional Integration Update presentation¹ at page 3 indicates the FERC filing will follow the tariff development phase. SVP interprets these statements to clarify that the CAISO has moved away from potentially submitting conceptual Regional Resource Adequacy proposals to FERC before (or without) specific tariff language being shared with or reviewed by stakeholders (and also included in the FERC filing). As it has stated before, SVP supports the filing of vetted tariff language instead of conceptual proposals.

¹ http://www.caiso.com/Documents/Agenda-Presentation-RegionalIntegrationUpdate-Oct18_2016.pdf