

Stakeholder Comments Template

Reliability Services Initiative - Phase 2

Second Revised Draft Final Proposal

Submitted by	Company	Date Submitted
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This template has been created for submission of stakeholder comments on the second revised draft final proposal for the Reliability Services Initiative - Phase 2 that was posted on September 16, 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. Submissions are requested by close of business on **September 30, 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.

Preliminary Comment and Request for Clarification re the Deferral of Substitution Rules for Flexible RA Capacity on Planned Outages - - The Second Revised Draft Final Proposal states that the ISO is deferring further action on substitution rules for Flexible RA Capacity on planned outages “[d]ue to technology implementation limitations.” Second Revised Draft Final Proposal at 13. The Six Cities are concerned that the deferral of action on substitution rules for Flexible RA Capacity on planned outage will leave a gap in ability to mitigate exposures to Resource Adequacy Availability Mechanism (“RAAIM”) charges if the RAAIM provisions become effective prior to adoption of substitution rules for Flexible RA Capacity on planned outages.

As the Six Cities understand the current status of the Reliability Services Initiative Phase 1 (“RSI 1”) provisions approved by the FERC in Docket No. ER15-1825-000, the RAAIM provisions are expected to become effective on November 1, 2016. The Six Cities further understand that the RAAIM availability assessment will exclude capacity covered by an approved maintenance outage or pending request for a maintenance outage as of forty-five days prior to the start of the resource adequacy month. However, planned outages that are requested less than forty-five days prior to the resource adequacy month will be included in the RAAIM availability assessment. See the ISO’s Transmittal Letter in Docket No. ER15-1825-000 at 59 and new tariff section 40.9.3.4. Although the RSI 1 tariff provisions approved by

FERC included substitution rules for Flexible RA Capacity on forced outages (new tariff section 40.9.3.6), substitution rules for Flexible RA capacity on planned outages were to be addressed in RSI 2. If the RAAIM provisions are implemented prior to adoption of substitution rules for Flexible RA Capacity on planned outages requested less than forty-five days prior to the resource adequacy month, it appears that resources may be unable to mitigate exposure to RAAIM charges for such outages. Such a result not only would be inequitable, but it also could have an adverse impact on reliability if resources have no mechanism to provide substitute capacity for Flexible RA Capacity requesting a planned outage less than forty-five days prior to the beginning of the resource adequacy month.

The Six Cities request that the ISO explain how it plans to address this apparent gap in ability to provide substitute capacity if the RAAIM provisions are implemented on November 1, 2016 as scheduled. From the Six Cities' perspective, it appears that the ISO simply could apply the substitution rules for Flexible RA Capacity on forced outage, which have been approved by FERC, to Flexible RA Capacity on a planned outage requested less than forty-five days prior to the resource adequacy month. To the extent such a solution would require a tariff waiver or submission of interim tariff provisions, the Six Cities urge the ISO to submit the necessary requests.

Other Topics - - The Six Cities addressed the topics included in items 1 – 4 below in their July 21, 2016 comments on the ISO's Revised Draft Final Proposal and have not changed their positions with respect to those topics.

1. Forced outage substitute capacity for RA resources capacity in local capacity areas. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*
2. Process to update Effective Flexible Capacity (EFC) list during the year. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*
3. RA showing tracking and notification. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*
4. RA showing requirements for small LSEs. *Please state if you support (please list any conditions), oppose, or have no comment on the proposal.*