December 26, 2018

COMMENTS OF THE CITIES OF ANAHEIM, AZUSA, BANNING, COLTON, PASADENA, AND RIVERSIDE, CALIFORNIA ON THE TRANSMISSION INDUCED GENERATOR OUTAGES WHITE PAPER

In response to the ISO's request, the Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the "Six Cities") provide their comments on the December 7, 2018 Transmission Induced Generator Outages White Paper (the "White Paper"):

The Six Cities support what they understand to be the policy objective of the tariff revisions discussed in the White Paper, *i.e.*, to clarify that all generator outages caused by outages of transmission, whether the transmission outages are forced or planned, will be exempt from non-availability charges under the Resource Adequacy Availability Incentive Mechanism ("RAAIM"). However, the additional tariff language proposed by the ISO in the White Paper is unduly narrow and will not achieve the stated objective in all appropriate circumstances.

At page 5 of the White Paper, the ISO proposes to add to Tariff Section 40.9.3.4(d) the following sentence:

> The RAAIM Availability Assessment also excludes the capacity, duration, and must-offer requirement for <u>local and/or system</u> Resource Adequacy Capacity on a <u>Maintenance</u> Outage caused by a Transmission outage. (Emphasis added).

The definition of "Maintenance Outage" in Appendix A of the Tariff is as follows:

> A period of time during which an Operator (i) takes its transmission facilities out of service for the purposes of carrying out routine planned maintenance, or for the purposes of new construction work or for work on de-energized and live transmission facilities (e.g., relay maintenance or insulator washing) and associated equipment; or (ii) limits the capability of or takes its Generating Unit or System Unit out of service for the purposes of carrying out routine planned maintenance, or for the purposes of new construction work.

A generator subject to an Outage as a result of a transmission outage may or (more likely) may not be conducting maintenance activities with respect to the generator during the transmission outage. Further, a transmission outage that induces a generator outage may or may not fit the definition of a Maintenance Outage for transmission. Therefore, the reference to Maintenance Outage in the proposed additional language for Section 40.9.3.4(d) is unreasonably restrictive. Reference to the more general term "Outage," which explicitly encompasses both planned and forced outages, is appropriate in this context and will accomplish the objective for the tariff revision.

In addition, the exemption from RAAIM charges for transmission-induced generator outages also should apply to resources providing flexible Resource Adequacy capacity. There is no logical reason to treat transmission-induced outages of generation resources providing flexible Resource Adequacy capacity differently from transmission-induced outages for resources providing local and/or system Resource Adequacy capacity.

Therefore, to accomplish the stated purpose of exempting from RAAIM all generator outages induced by transmission outages, the added sentence for Section 40.9.3.4(d) should read:

> The RAAIM Availability Assessment also excludes the capacity, duration, and must-offer requirement for flexible, local and/or system Resource Adequacy Capacity on an ~~a Maintenance~~ Outage caused by a Transmission outage.

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