

The CAISO received comments on the topics discussed at the August 17, 2021 stakeholder meeting from the following:

1. [California Community Choice Association \(CalCCA\)](#)
2. [Pacific Gas & Electric \(PG&E\)](#)
3. [Six Cities \(Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California\)](#)
4. [Southern California Edison \(SCE\)](#)
5. [Vistra Corporation](#)
6. [Western Power Trading Forum \(WPTF\)](#)

Copies of the comments submitted are located under “Clarifications to the Reliability-Must-Run designation process – August 17, 2021” at: <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Clarifications-to-reliability-must-run-designation-process>

The following are the CAISO’s responses to the comments.

1. California Community Choice Association (CalCCA) Submitted by: Shawn-Dai Linderman		
No	Comment Submitted	CAISO Response
1a	<p>Provide a summary of your organization’s comments on the Clarifications to Reliability Must-Run (RMR) Designation Process issue paper:</p> <p>California Community Choice Association (CalCCA) appreciates the opportunity to comment on the Clarifications to Reliability Must-Run (RMR) Designation Process Issue Paper (Issue Paper). Given the tight supply conditions facing California in the coming years, and the resulting system and local RMR designations that have occurred in recent months, it is prudent for the California Independent System Operator (CAISO) to commence this initiative to evaluate how RMR costs and credits are allocated when a resource meets both a local and system reliability need.</p> <p>The CAISO should allocate RMR costs in a manner that reflects benefits received. As such, the CAISO must revisit the process for allocating costs when a resource is needed for both local and system reliability. The costs for local RMR are allocated to all load-serving entities (LSEs) serving load in the transmission access charge (TAC) area in which the local area is located. The costs for system RMR are allocated to all LSEs in all TAC areas since the resource serves needs across the entire system. When an RMR meets both a system and local need, it is not appropriate to allocate costs only to LSEs in the local area because all customers will benefit from the reliability to the system afforded by the RMR. Therefore, the CAISO should modify the process for designating RMRs by assessing if the resource meets both local and system reliability needs and allocate costs to all customers that benefit from the RMR designation.</p>	<p>Thank you for your comments.</p> <p>Your preference has been noted.</p>
1b	<p>Provide your organization's comments on the primary reliability need topic, as described in section 2.1:</p> <p>The Issue Paper outlines five issues to consider when choosing a primary reliability need for which to make an RMR designation when two reliability needs exist, including:</p> <ol style="list-style-type: none"> 1. Historical considerations of local reliability needs as primary; 2. Infrastructure investment incentives; 3. LSEs benefitting from the RMR; 4. The local resource adequacy (RA) premium; and 5. The need to convert existing RMR contracts. 	



No	Comment Submitted	CAISO Response
	<p>As the CAISO notes, since start-up the CAISO only designated resources for local reliability needs and it currently considers it the primary reliability need any time it is binding. However, given the current state of California supply conditions, the CAISO issued RMR designations for the Midway Sunset and Kingsburg plants for system reliability needs.¹ Additionally, the CAISO designated a local RMR for the Agnews plant, recognizing it was possible the resource could also have been needed from a system perspective.² Because local resources inherently meet system needs, when there is a system reliability need for an RMR in addition to a local need, costs and credits should be allocated on a system-wide basis commensurate to those who receive the benefits. While this differs from the CAISO’s historical practice of designating resources for local reliability needs only, statewide supply conditions have begun to necessitate RMRs for both system and local needs. As such, the CAISO should modify its allocation methodology so that when an RMR is meeting both reliability needs, costs, and credits are allocated to all customers receiving the benefit of the resource.</p> <p>The CAISO states the responsible utility has an incentive to invest in infrastructure to address local issues that drive local designations, and this incentive is lost if the system need is considered primary. While this may have been true with a small number of LSEs, the number of LSEs in each TAC area has increased substantially in recent years. This diminishes the incentives for the utility to invest in infrastructure to address local reliability needs and prevent the need for CAISO to rely on RMR because the costs of RMRs are spread among a larger quantity of LSEs. CalCCA agrees investments should be made when needed to alleviate local reliability concerns without relying on RMRs, either through transmission or generation alternatives. However, these projects will likely need to be identified in the Transmission Planning Process given the incentives for a utility to invest in infrastructure upgrades to avoid RMRs are not as strong as they once were. Given infrastructure investment incentives from RMRs alone are likely not strong enough to result in infrastructure upgrades to relieve the local reliability need, they should not drive cost allocation. Instead, cost allocation should be driven by all reliability benefits provided by the RMR.</p> <p>The CAISO suggests that if a system-wide need is considered the primary need, then all current local RMR contracts will have to be designated and</p>	<p>Your preference has been noted.</p> <p>A smaller incentive (compared to past years with smaller number of LSEs) is still an incentive and better than no incentive.</p>

¹ <http://www.caiso.com/Documents/Apr9-2021-InformationalReport-ProposedNewRegulatoryMustRun-RMR-Kingsburg-ER19-1641.pdf> .

² <http://www.caiso.com/Documents/PresentationPotentialReliabilityMustRunDesignationAgnewsPowerPlantMay182021.pdf> at 7.



No	Comment Submitted	CAISO Response
	<p>converted to system-wide RMR contracts (including cost and RA credit allocations) for as long as the system reliability need exists. This concern should not prevent the CAISO from making modifications to RMR allocations in a manner that reflects all benefits received. Upon Federal Energy Regulatory Commission (FERC) approval of modifications to RMR allocations, the CAISO should begin using this allocation process for all new RMRs designated for a system and local benefit. Existing RMRs should be converted during the process for extending RMRs that results in CAISO Board approval each October. The CAISO has indicated this initiative cannot conclude by October of this year. Therefore, the process for converting existing RMRs would be done in October 2022.</p>	<p>The ISO intends to clarify the cost and RA credits allocation process through this stakeholder initiative. If Tariff modifications are required then it will become effective after FERC approval.</p>
1c	<p>Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 4: CalCCA supports this initiative’s Energy Imbalance Market (EIM) Governing Body classification.</p>	<p>Thank you for your support.</p>
1d	<p>Additional comments on the Clarifications to RMR Designation Process issue paper: No additional comments at this time.</p>	



2. Pacific Gas & Electric (PG&E) Submitted by: Todd Ryan		
No	Comment Submitted	CAISO Response
2a	<p>Provide a summary of your organization’s comments on the Clarifications to Reliability Must-Run (RMR) Designation Process issue paper:</p> <p>1. Be consistent. If Local is the primary, makes sure you are consistent in your analyses and designations.</p> <p>2. CAISO should consider a hybrid cost allocation for resources that have dual designations (system and local)</p> <p>3. Transitions need careful consideration. CAISO should incorporate language that clarifies that any change to designation type (e.g., sub-area local to local, local to system, or local and system to just system) or reliability need being addressed will require the review and approval of the CAISO Board to the appropriate cost allocation.</p>	<p>Thank you for your comments.</p> <p>The comment appears to assume that cost allocation only needs to be addressed differently if a resource is only now being designated, and both local and system needs are being identified at this time. Given the concerns being raised, the ISO would expect the same cost allocation concerns to exist for resources that were previously designated as local RMR resources (precluding their retirement) and then a system-wide need arises that the local resource is also in part meeting.</p>
2b	<p>Provide your organization's comments on the primary reliability need topic, as described in section 2.1:</p> <p>PG&E does not have an opinion on which (System or Local) should be primary.</p> <p>Be consistent. Regardless of which takes primacy, CAISO needs to be consistent in its analyses and designations. If CAISO is inconsistent in their designations, and therefore cost allocation, it creates a risk that one set of customers bare a disproportional amount of RMR costs or RMR costs not commensurate with the benefits to customers. Consistency reduces this risk.</p>	<p>The ISO has been consistent in the past (when it assumed local is the primary need) and will continue to be consistent regardless of the outcome of this stakeholder initiative.</p>
2c	<p>Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 4:</p> <p>RMRs are about the reliability of CAISO BAA and CAISO’s Board should have sole authority for this initiative. PG&E agrees that there is no role for the EIM Governing Body.</p>	<p>Thank you for your support.</p>
2d	<p>Additional comments on the Clarifications to RMR Designation Process issue paper:</p> <p>CAISO should consider a hybrid cost allocation for resources that have dual designations. CAISO should consider a hybrid cost allocation because an RMR unit that is needed for both System and Local will benefit the local customers</p>	<p>As noted above, it appears PG&E is only considering the single case of a resource proposing to retire when system and local need exist at the same time, as opposed to the case of how previously designated local resources should be treated when a system need emerges that they</p>



No	Comment Submitted	CAISO Response
	<p>and the CAISO system as a whole. PG&E encourages the CAISO to explore hybrid cost allocation methods that provide parties with proper incentives.</p> <p>Transitions need careful consideration. CAISO should add language clarifying that changes to the designation type (e.g., sub-area local to local, local to system, or local and system to just system), or reliability need being addressed, will go back to the CAISO board for review and approval and will result in the appropriate cost allocation. This provides transparency and preserves incentives to resolve RMRs.</p>	<p>are now also helping to meet – or for which they would be retained even if the local need was mitigated.</p> <p>PG&E's proposal is not specific as to how to calculate a hybrid cost and RA credit allocation, e.g. would hybrid be allocated 50% local and 50% system irrespective of any other particular circumstances? Would hybrid be calculated by the number of local problems vs number of system wide problems? Would a local unit needed to mitigate one local and one system wide problem be allocated the same as a resource that is needed to mitigate 20 local problem and one system wide problem?</p>



3. Six Cities (Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California) Submitted by: Margaret McNaul		
No	Comment Submitted	CAISO Response
3a	<p>Provide a summary of your organization’s comments on the Clarifications to Reliability Must-Run (RMR) Designation Process issue paper:</p> <p>At this time, the Six Cities’ comments on the topics identified in the August 10, 2021 Issue Paper are limited to the proposition, at page 3 of the Issue Paper, that existing RMR contracts will have to be redesignated if system-wide need is primary. The Six Cities oppose the suggestion that existing RMR contracts be redesignated in the middle of an RMR contract year.</p>	<p>The ISO agrees that mid-year re-designations seems overly complicated.</p>
3b	<p>Provide your organization’s comments on the primary reliability need topic, as described in section 2.1:</p> <p>The Six Cities do not oppose the concept of identifying a primary reliability need for RMR designations going forward and look forward to evaluating proposed criteria for making such designations. However, the Six Cities disagree with the statement at page 3 of the Issue Paper that a determination that a system-wide need is primary should trigger redesignation of all existing RMR contracts at that point. Because the designation adopted for a particular RMR resource will provide the basis on which stakeholders will review and evaluate the appropriateness of the RMR commitment, the initial designation should remain in place for the initial contract year. If the CAISO proposes to renew an RMR designation for a particular resource based on a different primary need in the subsequent year, it would be appropriate to revise the classification going forward for the renewal term.</p>	<p>See response to 3a above.</p>
3c	<p>Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 4:</p> <p>The Six Cities agree with the CAISO’s determination in Section 4 of the Issue Paper that the topics to be addressed in this initiative are outside the scope of the EIM Governing Body’s role.</p>	<p>Thank you for your support.</p>
3d	<p>Additional comments on the Clarifications to RMR Designation Process issue paper:</p> <p>The Six Cities have no additional comments on the Issue Paper at this time.</p>	

4. Southern California Edison (SCE) Submitted by: Aditya Chauhan		
No	Comment Submitted	CAISO Response
4a	<p>Provide a summary of your organization’s comments on the Clarifications to Reliability Must-Run (RMR) Designation Process issue paper:</p> <p>Southern California Edison (SCE) provides these comments on the California Independent System Operator’s (CAISO) Issue Paper and Meeting on Clarifications to Reliability Must-Run designation process (CRMR).³</p> <p>SCE supports the CAISO’s continued approach of considering local as the primary reason for procurement when multiple reasons exist. As the CAISO explained, considering local as the primary reliability reason provides a more economic approach toward incentivization and cost allocation.</p> <p>SCE also requests that the CAISO clarify whether it intends to make any changes to its Tariff regarding the allocation of Reliability Must-Run (RMR) contract costs due to the designation of SCE and Pacific Gas and Electric Company as the central procurement entities for local resource adequacy (RA) in their distribution service areas beginning for the 2023 RA compliance year. Because RMR costs not recovered through market revenues are allocated to the Scheduling Coordinators for all load-serving entities (LSEs) that serve load in the Transmission Access Charge area(s) in which the need for the RMR contract arose and are not based on any LSE’s deficiency in meeting local requirements⁴, SCE does not see any need for a change in the way RMR contract costs are allocated. However, it would be helpful for the CAISO to clarify if it agrees that no change is needed so that SCE could determine whether it needs to allocate any RMR contract costs in its role as the central procurement entity.</p>	<p>Thank you for your comments.</p> <p>Your preference has been noted.</p> <p>At this time, the ISO has no plans on changing the cost allocation of RMR contracts. The RMR contract is a back stop for reliability driven needs of resources wanting to retiring/mothball and it is not a back-stop to the RA program (where the central procurement agencies have only a limited local responsibility for CPUC jurisdictional LSEs).</p>
4b	<p>Provide your organization's comments on the primary reliability need topic, as described in section 2.1:</p>	
4c	<p>Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 4:</p>	

³ <https://stakeholdercenter.caiso.com/StakeholderInitiatives/Clarifications-to-Reliability-Must-Run-Designation-Process>

⁴ The CAISO should confirm that RMR is not designated for the reason of an LSE or LSEs’ deficiency in meeting their RA requirements and RMR is designated only for reliability reasons.



No	Comment Submitted	CAISO Response
4d	Additional comments on the Clarifications to RMR Designation Process issue paper:	



5. Vistra Corporation Submitted by: Cathleen Colbert		
No	Comment Submitted	CAISO Response
5a	<p>Provide a summary of your organization’s comments on the Clarifications to Reliability Must-Run (RMR) Designation Process issue paper:</p> <p>Vistra sympathizes with the CAISO’s efforts to ensure it has taken all necessary steps to shore up reliability. We narrowly scope our feedback to the CAISO’s issue paper and straw proposal in response to issue #5:</p> <p>“If a system wide need is considered the primary need than all current local Reliability Must Run contracts will have to be designated and converted to system wide Reliability Must Run contracts (including cost and Resource Adequacy credit allocations) for as long as the system reliability need exists.”</p> <p>Vistra requests the CAISO revise its proposal to only apply the proposed clarifications to non-legacy Reliability Must Run (“RMR”) Units. In the remainder of our comments Vistra provides additional support for this request.</p>	<p>Your preference has been noted.</p>
5b	<p>Provide your organization's comments on the primary reliability need topic, as described in section 2.1:</p> <p>The CAISO identified an issue that it proposes should be addressed when identifying the primary reliability need of a RMR Unit – existing RMR Units’ classification. In issue #5 identified under section 2.1, the CAISO proposes that all current RMR contracts will have to be converted to a system-wide RMR Contract until the system need is resolved.</p> <p>Vistra requests the CAISO narrow the scope of this issue to only apply to non-legacy RMR Units. The CAISO should not apply the proposed rule to allow existing Legacy RMR Contracts to be converted to a system RMR Contract. Appendix H of the CAISO Tariff governs the treatment of Legacy RMR contracts, where Legacy RMR contracts are those entered by RMR units prior to September 1, 2018.</p> <p>These Tariff provisions apply to the Oakland Power Plant which achieved commercial operations in 1978⁵ and was first designated as an RMR Unit in 1998. The Oakland Power Plant is a 110 MW liquid fossil-fired power plant located in Oakland, California owned and operated by Vistra. The capacity of Units 1 and 3 of the Oakland Power Plant is fully committed as a Reliability Must-Run (RMR) Unit under a Legacy RMR Contract with the CAISO. The</p>	<p>The ISO has Tariff authority to designate Reliability Must Run resources for any and all reliability needs (system or local) regardless if the resource is currently are under a current RMR contract or not and regardless under what type of RMR contract it is (legacy or new).</p> <p>The ISO cannot use the legacy RMR contract for system wide reliability needs because the Participating Transmission Owner (PTO) cannot recoup its costs from all the ISO LSEs, at most it can recoup costs from the LSEs connected to its system. As such if a legacy RMR contract is needed for system reliability needs it will need to be transferred to a new type of RMR contract.</p>

⁵ California ISO 2017-2018 Transmission Planning Process Unified Planning Assumptions and Study Plan, March 31, 2017 at page A-29.

No	Comment Submitted	CAISO Response
	<p>Oakland Power Plant has been in operations for almost 44 years and maintained online under the Legacy RMR Contract for more than two decades. Vistra plans to retire the remaining fossil units at Oakland Power Plant before 2024 and install battery energy storage units and is working with CAISO and PG&E to that end. There are several events that must occur before that can be accomplished, such as that these units must be released from RMR designation, which should be released once the local reliability need is addressed. PG&E appears to be on track to complete the transmission related components of the Oakland Clean Energy Initiative⁶ with current projected in service date for the transmission related elements by March 2023⁷ that will address the local reliability need in combination with Vistra’s repowering of the currently retired Oakland Power Plant Unit 2. Given the clear path to resolving the local need requiring these Legacy RMR Units in the near future, the Legacy RMR designation should not be converted to a system RMR contract.</p> <p>There is a likelihood that the CAISO system need may persist through 2026. If this Legacy RMR Unit is converted to a system RMR and is required by CAISO to maintain its online status through 2026, it would bring it to almost five decades of operations and three decades as a Legacy RMR Unit. In our view, it is not in the best interest of the CAISO to convert the Legacy RMR designation to system RMR and maintain its online status through the balance of the system reliability need as this facility reaches the end of its useful life. Instead, Vistra proposes that the CAISO exempt Legacy RMR Units from the proposed rules in this initiative and apply any changes only to non-legacy RMR Units.</p>	<p>The existing Oakland Power Plant units under RMR contract will be released when there are no reliability needs for these units.</p> <p>Your preference has been noted.</p>
5c	<p>Provide your organization’s comments on the proposed initiative schedule and EIM Governing Body role, as described in section 4: None at this time.</p>	
5d	<p>Additional comments on the Clarifications to RMR Designation Process issue paper:</p>	

⁶ Request for Clarification or, in the Alternative, Request for Rehearing of Pacific Gas and Electric Company for the July 15, 2021 order under EL20-63 page 3 includes PG&E description of the transmission enhancement status stating “The Moraga Claremont 115 kV Lines #1 and #2 have been re-rated and relevant substations will be upgraded, which will further bolster future reliability in the area”. Link available at <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=72EFDE2B-C8A3-C816-A620-7B50F6900000>.

⁷ Stakeholder Transmission Asset Review (STAR) documents released by PG&E on June 1, 2021 for Project Names OCEI - Oakland X 115kV Bus Upgrade and OCEI - Moraga 115kV Bus Upgrade. Link available at <https://pgera.azurewebsites.net/Regulation/ValidateDocAccess?docID=656693>.

No	Comment Submitted	CAISO Response
	<p>Vistra requests the CAISO provide additional details in its next iteration on how the CAISO proposes to identify whether a reliability criteria violation that impacts the entire CAISO BAA is likely to occur if a given unit were to retire/mothball.</p> <p>Our understanding of the CAISO current rules based on the record in ER19-1641 is that the CAISO may perform technical study to identify whether a unit retirement would result in the CAISO having insufficient capacity to meet the requirements of NERC Reliability Standards such as BAL-001-2, BAL-002-3, BAL-002-WECC-2a, BAL-003-1.1, or TPL-001-4 etc. If a risk of violation of one of these standards is identified in a technical study that the CAISO may retain a retiring unit as RMR. Further, we understand that the CAISO must conduct a reliability study to establish that the specific resource that requested retiring or mothballing or release from an existing RMR designation is needed to meet applicable Reliability Criteria before it can be eligible to receive an RMR designation.</p> <p>While there was a discussion about the primary system reliability need in the Issue Paper and during the call, it was not clear whether the system need being discussed by the CAISO was bridging the Resource Adequacy deficiency facing the system or identifying a system need that can only be met by the resource seeking retirement, mothballing, or release from RMR. While we are not opposed to the CAISO trying to better clarify when it is designating resources for system Reliability Criteria versus to meet local capacity area requirements in this effort, we are cautious that with the new use of the system RMR that it is more important to document the procedures to identify resources that should be under system RMR consistent with existing authority.</p> <p>It is important to ensure there is clarity that the designations would not be to cure the system Resource Adequacy shortfall but instead to ensure the CAISO BAA can meet applicable Reliability Criteria that a study has identified cannot be met without retaining the resource that is requesting retirement, mothballing, or release from RMR. Consequently, we request the CAISO provide in the next iteration a proposal for performing system technical studies and designating system resources in more detail. Please provide additional details on:</p> <ul style="list-style-type: none"> • The system RMR studies analyzing whether an applicable system Reliability Criteria would be violated if the resource requesting retirement, mothballing, or release from RMR was allowed to go off-line. • A list of the applicable Reliability Criteria that affect the BAA. 	<p>The most current analysis for system wide reliability needs can be found in Attachment 1 to the March 17, 2021 Board Memo regarding the “Decision on reliability must-run designation for Kingsburg Cogen”.</p> <p>The RMR contract is a back stop for reliability driven needs of resources wanting to retiring/mothball and it is not a back-stop to the RA program.</p> <p>See detailed explanation in the ISO response two paragraphs above.</p>

No	Comment Submitted	CAISO Response
	<ul style="list-style-type: none"> • How the technical studies ensure that the resource being studied is the only resource that can meet the identified system need to meet applicable Reliability Criteria at the BAA-level. <p>We would expect the CAISO proposed details to add to existing Tariff and manuals as needed will mirror the procedures and details provided by the CAISO and approved by FERC in the ER19-1641 docket. In ER19-1641 docket, CAISO revised its Tariff through tariff revisions to enhance its Reliability Must Run (RMR) framework and further differentiate its RMR program from its backstop procurement authority under the Capacity Procurement Mechanism (CPM) provisions of its tariff. In this proceeding, the CAISO laid out guidelines for what authority the CAISO must designate RMR Units based on Reliability Criteria but not to cure Resource Adequacy insufficiencies. In its transmittal letter, the CAISO stated:</p> <p>“[T]he CAISO will not use RMR to backstop RA procurement deficiencies.⁸ If there is an RA showing deficiency, the CAISO will only backstop it with CPM. A resource that might be able to fill the RA deficiency cannot request, and will not receive, an RMR designation to fill the RA deficiency. Rather, the CAISO will fill the RA deficiency with another resource from the CPM competitive solicitation process. If no other resource is available, the CAISO still will not offer an RMR contract to the generating unit because it remains available for CAISO dispatch. Under the CAISO’s proposal, the CAISO will use RMR for resources that have submitted a retirement/mothball notice and attestation and that the CAISO has found are needed to meet Reliability Criteria. In other words, a generating unit desiring an RMR designation must submit a formal notice of retirement/mothball and attestation (discussed in the next section) to even be eligible to receive an RMR designation. This requirement does not exist today. Also, the CAISO must conduct a reliability study to establish that the resource is needed to meet applicable Reliability Criteria before it can be eligible to receive an RMR designation. An RA showing deficiency does not, by itself, mean that a resource is needed to meet Reliability Criteria; it only means that LSEs have not procured sufficient capacity to meet their RA obligations. The CAISO’s reliability study must show that a reliability need exists and that only the resource to be designated can meet it, i.e., the resources procured in the RA process or that otherwise have not retired, do not meet all of the CAISO’s reliability needs and</p>	

⁸ Tariff Section 41.3 “41.3 Reliability Studies and Determination of RMR Status” to add in the Tariff that the CAISO, “Although the CAISO may base an RMR designation on the Local Capacity Technical Study, the CAISO does not use its RMR authority to address Resource Adequacy deficiencies”.

No	Comment Submitted	CAISO Response
	<p>the CAISO needs the retiring/mothballing resource to meet applicable Reliability Criteria. Thus, resources will not arbitrarily be able to choose between accepting an annual CPM designation or receiving an RMR Contract.”⁹</p> <p>Further, the CAISO also provided helpful details on its process to differentiate a RMR need that is not to cure Resource Adequacy shortfalls and what type of needs would trigger a RMR beyond a local RMR. The details provided in the CAISO response to deficiency letter¹⁰ provided helpful additional details on what types of studies could identify a need for a RMR beyond the local capacity area need that could be leveraged to provide additional details in this initiative. Under the CAISO Tariff Appendix A, “Reliability Criteria” is defined as “[p]re-established criteria that are to be followed to maintain desired performance of the CAISO Controlled Grid under Contingency or steady state conditions” -- specifically, pre-established North American Electric Reliability Council, Western Electricity Coordinating Council, or CAISO-established reliability standards. While not a definition provided in the Issue Paper, we think the definition of Reliability Criteria in Appendix A is equally applicable in the current initiative, as it is the type of need that would allow the CAISO to designate resources a system RMR under its current authority.</p> <p>We respectfully request the additional details are necessary to mitigate uncertainty on whether the new system RMR and any conversion of local RMR to system RMR under this proposal are done only if it meets the requirements approved by FERC summarized above.</p>	<p>Correct, the ISO may use non-compliance with any and all pre-established North American Electric Reliability Council, Western Electricity Coordinating Council, or CAISO-established reliability standards in order to establish a reliability must run need.</p>

⁹ California ISO RMR CPM Enhancements Amendment, Transmittal Letter under ER19-1641, April 23, 2019, Page 39, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=01FF88C4-66E2-5005-8110-C31FAFC91712>.

¹⁰ California ISO Response to Deficiency Letter under ER19-1641, July 26, 2019, <https://elibrary.ferc.gov/eLibrary/filedownload?fileid=0202628C-66E2-5005-8110-C31FAFC91712>.

6. Western Power Trading Forum (WPTF) Submitted by: Kallie Wells		
No	Comment Submitted	CAISO Response
6a	<p>Provide a summary of your organization’s comments on the Clarifications to Reliability Must-Run (RMR) Designation Process issue paper:</p> <p>WPTF appreciates the opportunity to comment on the CAISO’s Clarifications to reliability must-run designation process issue paper as discussed with stakeholders on August 17, 2021. WPTF is surprised to see the limited scope of the initiative, especially given what the CAISO Board of Governors asked the CAISO to address related to its Reliability Must Run policy and process. On two recent occasions, the CAISO Board of Governors engaged in discussions regarding RMR designations. During these discussions, the Board raised questions and urged the CAISO to try and improve the RMR process such that the CAISO does not have to continually rely on the RMR designations; they should only be used as a last resort. WPTF is extremely concerned that this initiative is not addressing the Board’s ask and falls significant short of doing so. For example, most recently, the Board of Governors asked the CAISO to develop a process to allow gas units to convert to storage without being held hostage to RMR. This policy does not include any discussion to that regard nor consider any other holistic changes. Thus, WPTF respectfully requests that the CAISO rescope this initiative in a way to ensure it fully encompasses the asks of the CAISO Board.</p>	<p>Thank you for your comments.</p> <p>The RMR process is only used as a last resort for resources that ask to retire/mothball and per Tariff the ISO must rely on it for such resources.</p> <p>The ISO is working directly with resource owners to allow repowers in stages or under seasons (parts of the year) when reliability of the grid is not in jeopardy from either a local or a system need. The ISO will codify its process however does not consider that holistic changes are necessary or required.</p>
6b	<p>Provide your organization's comments on the primary reliability need topic, as described in section 2.1:</p>	
6c	<p>Provide your organization's comments on the proposed initiative schedule and EIM Governing Body role, as described in section 4:</p>	
6d	<p>Additional comments on the Clarifications to RMR Designation Process issue paper:</p>	