

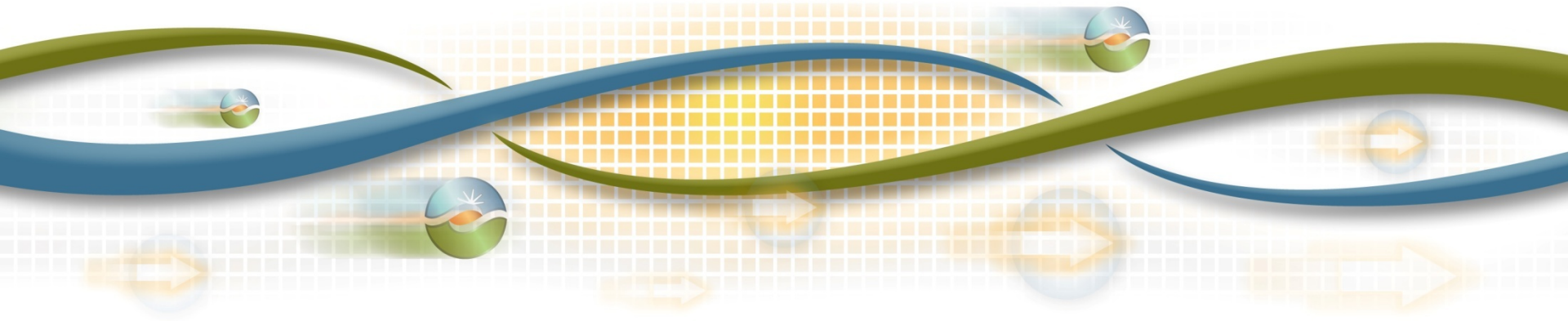


# Black Start and System Restoration Phase 2 Initiative

Scott Vaughan

Stakeholder Web Conference

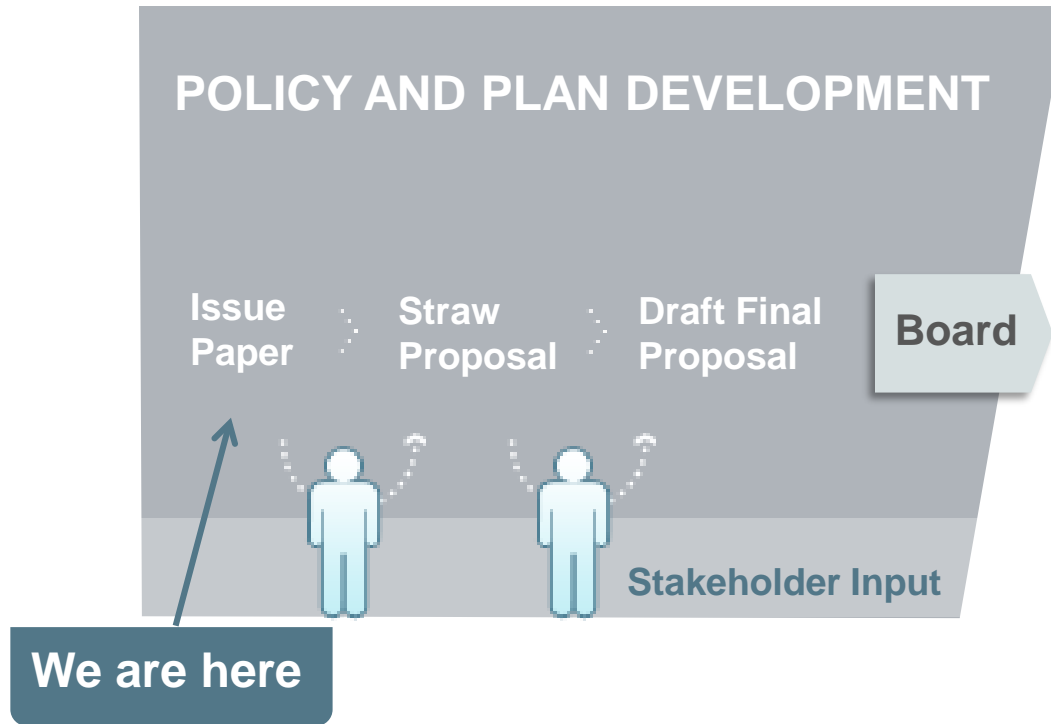
January 24, 2017



# Agenda

Time	Topic	Presenter
2:30 - 2:35	Introduction	Kim Perez
2:35 - 2:40	Stakeholder schedule	Kim Perez
2:40 - 4:25	Introduction, Procurement, and Compensation	Scott Vaughan
4:25 - 4:30	Next Steps	Kim Perez

# ISO policy initiative stakeholder process



# Proposed Stakeholder schedule

Milestone	Date
Issue paper posted	January 17, 2017
Stakeholder call	January 24, 2017
Stakeholder comments due	January 31, 2017
Straw proposal posted	February 14, 2017
Stakeholder call	February 21, 2017
Stakeholder comments due	February 28, 2017
Draft final proposal posted	March 14, 2017
Stakeholder call	March 21, 2017
Stakeholder comments due	April 4, 2017
Board Meeting	May 2, 2017

# INTRODUCTION

- Phase 1 of the Black Start and System Restoration Stakeholder Initiative addressed changes required by the ISO's implementation of NERC standard EOP-005-2.
- The ISO completed the initial phase of the Black Start and System Restoration Initiative in 2013.
- The purpose of Phase 2 of the Black Start and System Restoration Initiative is to explore the current black start procurement and compensation for black start services.
- The ISO has identified a need to provide additional black start resources in the greater San Francisco Bay Area. This need is the impetus for this stakeholder initiative.

# PROCUREMENT

- Currently, all black start resources identified in participating transmission owners and ISO restoration plans are either owned by the utility's or under contract through a power purchase arrangement.
- Based on engineering assessments, the ISO's is aware of a relatively small set of generation resources in the Greater Bay that can meet the identified need.
- The identified black start services will likely require procurement from independently owned generation resources that are not currently black start capable.
- The ISO seeks stakeholder comment on the process for selecting and procuring additional black start capability and the role of the ISO and investor owned utilities in the process.

# BLACK START COMPENSATION

- The ISO understands that the investor owned utilities recover the cost of providing black start capability through retail rates charged to bundled service customers.
- Additional black start resources in the Greater Bay Area will benefit all transmission customers in the area, yet may not result in the allocation of costs to all transmission customers if procured by the investor owned utilities under the current paradigm.
- The fundamental principle at play in any cost allocation approach is that the beneficiaries should pay for a share of the costs of services from which they are benefitting from.
- Possible cost allocation methods for incremental black start resources are to include the costs as part of a broader system need or as a local need where the black start resource is located
- The ISO seeks stakeholder comment on appropriate cost allocation approach.

# Next Steps



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Stakeholders are asked to submit written comments by **January 31** to [InitiativeComments@caiso.com](mailto:InitiativeComments@caiso.com).