

## Stakeholder Process: Commitment Cost Enhancements Phase 2

# Summary of Submitted Comments

**Stakeholders submitted three rounds of written comments to the ISO on the following dates:**

- Round One, 11/19/14
- Round Two, 1/13/15
- Round Three, 3/2/15

**Stakeholder comments were received from:** California Public Utilities Commission, Calpine Corporation, City of Pasadena, Department of Market Monitoring, NRG Energy, Pacific Gas & Electric Company, San Diego Gas and Electric, Shell Energy, Six Cities, and Southern California Edison.

**Stakeholder comments are posted at:**

<http://www.caiso.com/informed/Pages/StakeholderProcesses/CommitmentCostEnhancementsPhase2.aspx>

**Other stakeholder efforts include:**

- Stakeholder call, 11/12/14
- Stakeholder call, 1/6/15
- Stakeholder call with reliability services Initiative, 2/6/15
- Stakeholder call, 2/12/15
- Numerous outreach calls

Stakeholder	Management proposal: Clarify and improve use-limited definition, qualification criteria and application process	Management response
California Public Utilities Commission	Broadly supports but grandfather long-term resource adequacy contracts with contract-based limitations approved by the Commission.	<p>The ISO's practice of not allowing economic, including contract-based, limitations precedes the enhancements proposed today. This is a long-standing ISO tariff provision and practice detailed in the business practice manual since 2009. Recently signed contracts that limit the operation of the resource adequacy resources in question have done so while the current tariff and business practice manuals have been in effect. Proposed changes to the use-limited definition do not change this specific provision. Therefore, there is no reason to grandfather these contracts.</p> <p>The ISO accepts documentation of underlying environmental restrictions, even if the restrictions are ultimately reflected in a contract. The current proposal allows for the continued use of the registered cost option until the ISO has developed and opportunity cost methodology. Therefore, stakeholders should continue to reflect opportunity costs under the registered cost option.</p> <p>Categorizing all storage resources as default use-limited out of a concern for the ISO's storage modeling capabilities misinterprets the intent of the use-limited category. Under the ISO's storage model, the non-generating resource, start-up and minimum load costs are zero. Therefore, the opportunity cost is also zero and there is no value in setting these resources as default use-limited today. Furthermore, the reliability services initiative will exempt non-generating resource, pumped hydro, and use-limited storage from bid insertion.</p>
Calpine Corporation	Does not oppose.	
City of Pasadena	No comment.	
NRG Energy	Should consider if and what kinds of contractual limits might be acceptable use limits.	
Pacific Gas & Electric Company	Supports but ISO should outline how to translate environmental restrictions into use limitations that are reflected as contractual limitations. All storage should be exempt from bid insertion.	
San Diego Gas and Electric	Broadly supports but grandfather long-term resource adequacy contracts with contract-based limitations approved by the Commission. Tariff does not explicitly prohibit "non-contractual" limitations.	
Shell Energy	Broadly supports but grandfather long-term resource adequacy contracts with contract-based limitations approved by the Commission.	
Six Cities	Supports.	
Southern California Edison	Use limitations should include long-term resource adequacy contracts with contract-based limitations approved by the Commission. Storage resources should be considered use-limited.	

Stakeholder	Management proposal: Align the calculation of transition costs with start-up costs	Management response
-------------	--	---------------------

Stakeholder	Management proposal: Align the calculation of transition costs with start-up costs	Management response
California Public Utilities Commission	No comment.	No stakeholders have indicated opposition to the transition cost proposal.
Calpine Corporation	Supports.	
City of Pasadena	No comment.	
NRG Energy	No comment.	
Pacific Gas & Electric Company	Supports.	
San Diego Gas and Electric	Supports.	
Shell Energy	No comment.	
Six Cities	Supports.	
Southern California Edison	Supports.	