

Stakeholder Comments

Submitted by	Company or Entity	Date Submitted
Lauren Perkins (916) 492-2801	Modesto Irrigation District and City of Santa Clara, California dba Silicon Valley Power	November 26, 2019
James McFall, MID (209) 526-7521		
Ken Kohtz, SVP (408) 615-6676		

Comments and Questions 2020 CAISO Budget and GMC

The Modesto Irrigation District (“MID”) and City of Santa Clara, California, dba Silicon Valley Power (“SVP”) thank the California Independent System Operator Corporation (“CAISO”) for the opportunity to submit comments and questions both at and following the November 20, 2019 stakeholder meeting regarding the CAISO’s 2020 Budget and Grid Management Charge (“GMC”).

Following up on matters discussed during the November 20 Stakeholder Meeting regarding CAISO’s 2020 Budget and GMC process, including the associated Preliminary Draft Budget document, MID and SVP request the CAISO provide responses to the following questions:

Regarding the Preliminary Draft Budget (issued Nov. 1, 2019):

1) On pages 41-43 of the Preliminary Draft Budget, CAISO states the 2020 Capital/Project Budget Development prioritization process runs July through November 2019, but indicates that the 2020 priorities may change. Are the proposed projects for 2020 shown on pages 43-46 listed by any priority or indication of what will be cut from the \$43.1 million cumulative amount to stay within the \$22 million Capital/Project budget approved by the CAISO Board? Where is the best indication of the current project prioritization documented for stakeholders’ reference?

2) In general, is the hiring of third party consultants (for example, E3 in the ESDER-4 initiative) included within the Capital/Project budgeted amount for the

initiative (i.e. as part of CAISO's estimated amounts corresponding to projects listed on pages 43-46 of the Preliminary Draft Budget), or in the O&M budget as part of either the "Consultants and Contract Staff" or "Outsourced contracts and professional fees" categories on pages 17-18? Page 13 states the O&M budget excludes staff dedicated full-time to capital projects, included in a separate capital budget. To which capital projects are these staff dedicated?

3) On page 44, in the Chart of Proposed Projects for 2020, please provide an explanation as to what is included within "Reliability coordinator enhancements 2020."

4) On page 44, in the Chart of Proposed Projects for 2020, please provide an explanation as to what is included within "Reliability coordinator advanced network applications enhancements for voltage stability analysis."

5) On page 44, in the Chart of Proposed Projects for 2020, please provide an explanation as to what is included within "Pump storage with multiple pumping levels."

6) On page 44, in the Chart of Proposed Projects for 2020, with reference to "Storage as a transmission asset", does this item's inclusion indicate the CAISO's intent to resume this matter as an initiative in 2020?

7) For the Debt Service category, CAISO's Preliminary Draft Budget (at pages 5 and 39) states Series 2013 bonds were issued in November 2013 to refinance 2009 bonds that were issued to finance Folsom headquarters and "other capital expenditures." What other capital expenditures does this include?

Regarding the CAISO's November 20 Presentation:

1) During the November 20, 2019 stakeholder call, CAISO clarified that the "TAC billing" project listing on page 44 of the Preliminary Draft Budget is the same effort as the TAC structure enhancements initiative, currently on hold, and further that this initiative was deferred while CAISO defines the scope of the extended day-ahead market ("EDAM") initiative (which may include transmission charges within the initiative scope). Please provide the CAISO's reasoning for including the "TAC billing" project in the 2020 budget if it is being deferred for EDAM.

2) With regard to the "Operating Cost Reserve Adjustment" breakdown in the Presentation (Slide 10), please explain the cause of the favorable 2018 collections. On the same Slide, please explain the cause of the favorable 2018 spend results.