



**Comments of Pacific Gas & Electric Company**  
**Black Start and System Restoration Phase 2 – Issue Paper**

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the California Independent System Operator’s (CAISO) January 17, 2017 Black Start System Restoration Phase 2 Issue Paper. PG&E agrees with the CAISO’s determination that additional Black Start capability is needed in the Bay Area in order to provide comparable restoration service with other high density population centers in the state. PG&E applauds CAISO for undertaking procurement of this needed capability as soon as practically feasible.

PG&E has two primary objectives associated with this initiative.

- The additional Black Start capability must improve the expected customer restoration time to the Bay Area in the event of a system-wide disturbance.<sup>1</sup>
- Black Start services should be procured in a cost-effective manner, and CAISO should allocate the costs to all beneficiaries. Based on cost causation principles, PG&E believes that one reasonable option CAISO should evaluate is to allocate the costs to the relevant Participating Transmission Owner’s (PTO) Transmission Access Charge (TAC) area.

1. Please 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.

When selecting and procuring additional black start capability, PG&E believes the associated Participating Transmission Owner should be involved in determining the selection criteria and consulted as to whether the resources selected to provide black start meet the CAISO-specified

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<sup>1</sup> PG&E notes that restoration times as discussed here are simulated using planning models and scenarios of system restoration performance. Actual restoration time, in the event of a wide-scale system emergency, will be highly dependent on the circumstances surrounding the emergency. PG&E operators are committed to restoring service as fast as possible, while always ensuring the safety of our employees, the grid, and the general public.

restoration needs. Considering the small set of resources the CAISO has identified for fulfilling the improvement in restoration times in the Bay Area, PG&E recommends the CAISO explore procurement structures that are focused on ISO directly contracting with resource owners using cost-of-service rates.

2. Please comment on the appropriate cost allocation approach for incremental black start resources.

Based on cost causation principles, PG&E believes that one option CAISO should evaluate is to allocate the costs for incremental black start capability to the relevant Participating Transmission Owner's (PTO) Transmission Access Charge (TAC) area and to recover these costs as Reliability Service Costs from the relevant PTO. PG&E believes this cost allocation likely would create a fair balance by ensuring broad cost recovery from all benefiting customers in order to support improved restoration times for the PTO service territory.