

# Stakeholder Comments Template

## Subject: Generated Bids and Outage Reporting for Non-Resource Specific RA Resources

Submitted by	Company	Date Submitted
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The *Issue Paper* was posted on December 18, 2009 and a conference call to discuss the paper and answer questions was held on December 30, 2009. Upon completion of this comments template please submit it to [GBiedler@caiso.com](mailto:GBiedler@caiso.com). Submissions are requested by close of business on January 8, 2009.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. The ISO has identified three potential methodologies for calculating generated bids for NRS-RA resources. They include a price-taker option, the LMP-based option, and a negotiated option. Please comment on your preferences or concerns with respect to these options.

*Regarding the calculation of a default energy bid, if applicable, for an NRS-RA, SCE recommends that, NRS-RA resources be treated comparable to other RA resources. Therefore, SCE recommends that the CAISO apply the rules under Section 39.7.1 (Calculation of Default Energy Bids) of the CAISO Tariff for NRS-RA resources. The rules in this section translate well to NRS-RA with the following exceptions: the cost option needs a non-fuel-based value for inerties.*

*SCE suggests the CAISO consider setting a reasonable cost for NRS-RA that includes common cost components including but not limited to energy cost, VOM, GMC, external transmission costs, and the 10% adder. SCE agrees with the CAISO assessment that inserting low cost default bids could have negative impact; however, the scheduling coordinator has many options to avoid such circumstances: 1) inserting a bid, 2) selecting negotiated default bid, 3) selecting LMP default bid, or 4) inserting a SLIC outage.*

*SCE agrees with the CAISO methodology for extending bids which do not cover the entire RA capacity. SCE also agrees with the CAISO assessment that calculated default energy bids using the cost and LMP options will be a single segment (two point) bid; however, SCE believes there are situations where a multi-segment bid could be negotiated.*

2. Please provide any suggestions you have regarding what information should be used to inform the development of a negotiated bid for non-resource specific system resources.

*Section 39.7.1.3 of the CAISO Tariff requires SC's electing the "Negotiated Rate Option" to provide information and documentation to support their proposed default energy bid. SCE*

*does not see a need for the CAISO to further define what information an SC may or may not be permitted to provide to support their proposed default energy bid for an NRS-RA.*

*SCE has reviewed the CAISO white paper references regarding the offer obligations of NRS-RA resources with contractual limitations and recommends that the CAISO conduct additional discussions to flesh out the topic and determine if a Tariff change is needed.*

- 3. In keeping with the aim of treating NRS-RA resources as similarly as possible to resource-specific RA resources, the ISO proposes the adaptation of the forced outage reporting requirements for resource-specific resources. Please provide your comments on the proposed adaptation provided in the December 18<sup>th</sup> Issue Paper.*

*SCE agrees with the CAISO that a methodology should be established to give IFM and HASP availability information regarding NSR-RA. SCE further agrees with the CAISO that this should be done by modifying SIBR, the supply plan, SLIC, and the SLIC to SIBR interface. First, as the CAISO noted, SIBR must be able to recognize hourly RA values when generating bids and the supply plan must be modified to allow the communication of these hourly values. Second, SLIC and the SLIC API must be modified to allow availability updates for NRS-RA. Third, SIBR must use the minimum of the hourly RA value or SLIC availability when generating bids which will require the CAISO to finish the current work underway to enable communication between SLIC and SIBR. SCE sees no need to update the IFM or RTM software at this time as the above modifications and NERC tag data will provide sufficient availability notification to the CAISO through real-time.*

*SCE agrees with the CAISO that Scheduling Coordinators are responsible for providing an explanation of any forced outages impacting delivery of NRS-RA as well as an estimated time of return. SCE does not agree that a Scheduling Coordinator is required to describe transmission arrangements outside the CAISO controlled grid.*

*During the December 30<sup>th</sup> stakeholder conference, the CAISO implied that availability would only need to be modified when delivery to the CAISO border was hindered. The reasoning offered by the CAISO was that any delivery from the border inward would be handled by the market enforcement of line ratings. SCE noted on the call that this was not always the case; since then, the CAISO has published a market notice which rectifies the situation at Four Corners. SCE suggests that the CAISO review cases of stranded generation and load near intertie locations to make sure appropriate bids are removed prior to market runs from open ties which have a non-zero ATC.*

*SCE would also like the CAISO to review the rules for Standard Capacity Product and determine if the addition of these forced outages impact the availability standard calculations and/or the compliance calculations.*