Stakeholder Comments
Commitment Cost Enhancements Phase 3 (CCE3) Action Plan

Submitted by	Company	Date Submitted
Gigio Sakota 626-302-5927	Southern California Edison (SCE)	November 29, 2016

Southern California Edison (SCE) appreciates the CAISO efforts to address stakeholder concerns raised in the Commitment Cost Enhancements Phase 3 (CCE3) process. The attached comments support the direction the CAISO is moving in, and highlight some of the remaining questions on the issues presented in the Action Plan.

Issue 1: RAAIM Exemption for Transition Period

SCE supports the CAISO's approach, however it has some concerns on how Must Offer Obligation (MOO) and Resource Adequacy Availability Incentive Mechanism (RAAIM) are applied to weather-sensitive Demand Response (DR) resources. This issue is outside of the CCE3 scope, so SCE will raise it in the CPUC RA OIR, and any relevant CAISO stakeholder processes.

Issue 2: Continued Exemption from Bid Insertion and Mitigation

SCE supports the CAISO's approach. One question is on whether this needs to be memorialized in the Tariff, or if the Business Practice Manual (BPM) is sufficient.

Issue 3: Applying for Use-Limited Status and Criteria to Be Used to Qualify PDR

SCE appreciates that the CAISO has recognized that tariffs and contracts define the "physical" characteristics of DR resources.

SCE looks forward to working out the implementation details with the CAISO, as several areas will have to be worked through. For example, with the new Demand Response Registration System (DRRS), the Scheduling Coordinators (SCs) and Demand Response Providers (DRPs) will be able to continuously update DR registrations, as to reflect the latest program enrollments. At some point, such changes may trigger the need to update the use-limited plan data template (ULPDT) if the resource updates result in increased or decreased availability.[1]

Issue 5: Optimizing PDR Resources through the Market

SCE supports optimizing PDR resources through the market, and looks forward to market enhancements that allow SCs to more accurately represent their opportunity costs. As discussed in the CCE3 workshops, the nature of DR resource limitations leads to the need to go beyond simple energy bids to adequately represent the opportunity costs. One concern SCE has is with the frequency of master file updates allowed

[1] Addition of new Service Accounts to a resource would likely increase the remaining resource availability; removal of Service Accounts may decrease the capacity (PMax), but should not reduce remaining dispatch availability.

for updating the startup and min-load costs. Due to the fairly limited hours / calls on many DR resources, if a given month has more dispatches than forecast, the resource opportunity costs could quickly change. As a result, SCE recommends that these costs be updated intra-month when there are unexpected dispatch conditions (i.e. frequent use during a heat-wave).

It is SCE's understanding, from the stakeholder call discussion, that the CAISO would support intra-month updates, with a seven-day process. SCE expects that this would sufficiently address the issue.

Other Issues:

The Action Plan does a good job of addressing the concerns related to PDR market participation, however some of these issues also apply to RDRR economic bidding in the Day-Ahead market. Certain resources, like SCE's Summer Discount Plan (SDP) have a number of hours available for economic dispatch, which would benefit from the ability to use the opportunity cost bidding as discussed above.

SCE appreciates the opportunity to provide comments on the Action Plan, and will continue working with the CAISO and the stakeholders on addressing these issues and implementing the identified solutions.