

Stakeholder Comments

Transferred Frequency Response Workshop Agreement and Request for Proposal

Submitted by	Company	Date Submitted
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Southern California Edison (SCE) presents comments on the California Independent System Operator's (CAISO) April 20, 2016 Draft Request For Proposal¹.

The CAISO has not demonstrated a need for a TFR RFP.

The CAISO proposes to purchase up to 100 MW per 0.1 Hz Transferred Frequency Response capability to meet its frequency response obligation for the compliance period starting on December 1, 2016 and continuing up to and including November 30, 2017, with RFP responses due July 1, 2016.

Under the Frequency Response stakeholder process, the CAISO had identified the disabling of frequency response algorithms as a significant cause of the lack of frequency response from resources. This was addressed by the CAISO having requirements on the resources with specific governor settings and the removal of outer loop controls that would hinder PFR provision. Since a substantial portion of PFR provision, if not the majority, was missing due to governor frequency response algorithm disabling, the CAISO's requirements should rectify the CAISO's PFR issues. Given that, there is no need for a TFR RFP until the CAISO verifies that the prior lack of PFR still exists with the governor settings requirements in place. Further, there is the lemma that the CAISO has provided no analysis of how it arrived at the 100 MW per 0.1 Hz figure for TFR procurement.

¹ http://www.caiso.com/Documents/TransferredFrequencyResponse_DraftRequestForProposal.pdf

If the CAISO were to price the service based on service provided rather than compliance period and only compensate if the service is called-upon, then procurement at this point would be acceptable as it would only become an expense if it was actually used rather than an expense anticipating a need that may not exist given the changes made regarding the provision of frequency response as noted above. Outside of this, there is no justification in purchasing a service for which there is likely no need or supporting determination but merely a cost.