

SCE Comments on Generated Bids and Outage Reporting for Non-Resource Specific RA Resources

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Contained below are comments on the topics covered in the *Straw Proposal* regarding the process for generated bids and outage reporting for non-resource specific system resources with Resource Adequacy contracts.

1. The CAISO has identified two potential methodologies for calculating generated bids for NRS-RA resources: the LMP-based option and the negotiated option. Since the LMP option requires a backup option and the only other choice is negotiated, having these two options forces all NRS-RA to go through the negotiation process each month. SCE recommends that CAISO provide a third option so negotiation can be a choice not a requirement. SCE suggests an option close to the price taker option but not exactly zero dollars since there are some GMC scheduling costs which the CAISO can include as part of a “cost” option.
2. SCE does not agree with the CAISO assessment that the only reason for unavailability of a NSR-RA is “extraordinary circumstances in external or immediate BA Areas.” SCE understands that it is difficult to enumerate all possible reasons why delivery would be impossible but SCE contends that such a list is unnecessary. What is important is that the CAISO allow market participants to share pertinent availability information to give the market the best chance of solving the right problem.

By limiting availability information to this one category, the CAISO is forcing market participants to provide false information in the rare case when the participant knows they cannot deliver. Such a participant is forced to

- a) use the proposed reason (even though it doesn’t apply),
- b) submit a bid which cannot be fulfilled, or
- c) allow the CAISO to create a bid which cannot be fulfilled.

The first is blatant false information. The second and third options have market and settlement implications (especially with the new tag timing rules).

It seems counterintuitive that the CAISO would prevent a market participant from providing correct information which can only help the market and harm the participant’s availability calculation. SCE recommends the CAISO consider adding an “other” reason to the list of acceptable outage reasons.

3. Lastly, SCE would like to better understand the scope of the new “Subset-of-Hours” initiative. In particular SCE would like to know if this initiative will focus on all RA resources or just NRS-RA?