

Comments of Southern California Edison Company Concerning Standard Capacity Product Temporary Waiver

Submitted by	Company	Date Submitted
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Southern California Edison Company (“SCE”) submits these comments pursuant to the California Independent System Operator’s (“CAISO”) request for comments regarding the CAISO’s intention to seek a temporary waiver from the Federal Energy Regulatory Commission (“FERC”) relating to the forced outage reporting requirements in the standard capacity product (“SCP”) 2 tariff provisions. As SCE has previously explained, SCE has concerns with these SCP 2 tariff provisions, which, as currently written, would require the Scheduling Coordinators (“SC”) of resource owners to supply outage data beginning in 2011 for wind, solar and non-dispatchable contracts - including Qualifying Facility (“QF”) contracts executed pursuant to the Public Utilities Regulatory Policy Act (“PURPA”) -whose Net Qualifying Capacity (“NQC”) value is determined by historical output (“H-NQC”).¹

Prior to the development and approval of the SCP 2 tariff provisions, the CAISO did not require H-NQC resources to submit the type of data now being required. Consequently, the PURPA QF contracts do not include specific contract language that would require those resources to provide investor-owned utilities (“IOUs”), who act as SC for the PURPA QFs, the type of outage data specified in the CAISO tariff.² Given that the

¹ CAISO Tariff Section 40.9.2 (2) states that contracts with Resource Adequacy (“RA”) resources whose Qualifying Capacity value is determined by historical output that are signed prior to August 22, 2010 “will not be subject to Non-Availability Charges or Availability Incentive Payments.” However, “such contracted RA capacity, except for non Resource-Specific System Resources, will be included in the development of Availability Standards and will be subject to any Outage reporting requirements necessary for this purpose.”

² CAISO Tariff Section 40.9.5 requires “Scheduling Coordinators for Generating Units or Resource-Specific System Resources that are also Resource Adequacy Resources with a maximum output capability of one (1) MW or more, but which do not meet the requirement to provide information on Forced Outages in accordance with Section 9.3.10, shall provide equivalent availability-related information in the form and on the schedule specified in the Business Practice Manuals. This information shall identify all Forced Outages, non-ambient de-rates, and temperature-related ambient de-rates that have occurred over the previous calendar month and shall contain all relevant details needed to enable the CAISO to perform the availability calculation for the resource in accordance with Section 40.9.4, including: the start and end times of any Outages or derates, the MW availability in all Availability Assessment Hours, and the causes of any Forced Outages or de-rates. Scheduling Coordinators for Resource Adequacy Resources whose maximum output capability is ten (10) MW or more shall report Outage-related information in accordance with the reporting obligations in Section 9.3.10.”

PURPA QF contracts were negotiated in reliance on the contemporary regulatory construct at the time of execution, well prior to the development or even conception of the CAISO's SCP program, it is fair to provide a mechanism to help ensure that SCE and other SCs will be able to comply with reporting requirements enacted after the execution of these contracts.

As the CAISO has stated, SCE filed a request for a temporary waiver from FERC on January 14, 2011 (Docket No. ER11-2694). In order to help ensure that all applicable load-serving entities are afforded the temporary waiver, SCE supports a separate CAISO filing with FERC to request a temporary waiver from the forced outage reporting requirements for all PURPA QFs. SCE looks forward to working with the CAISO and other stakeholders to reach a permanent solution to this issue.