

Stakeholder Comments

**Flexible Ramping Products Incorporating FMM and EIM Draft
Final Proposal, December 4, 2014**

Submitted by	Company	Date Submitted
Victor Kruger vkruger@semprautilities.com 858-654-1619	San Diego Gas & Electric	January 2, 2015

SDG&E appreciates the opportunity to comment on CAISO's Flexible Ramping Products Incorporating FMM and EIM Draft Final Proposal paper.

SDG&E continues to support developing a replacement for the flexible ramping constraint that better addresses the need for a more robust ramping margin to meet net load changes due to increased intermittent resources in the energy mix. The CAISO has made significant improvements in refining the proposed Flexible Ramping Product in the Draft Final Proposal. But, SDG&E does not think it is ready in its current stage of development to go to the Board of Governors for approval in early February.

SDG&E's interpretation of the CAISO's Flexible Ramping Product proposal has not discovered any fatal flaws with the Draft Final Proposal, but SDG&E is not sure our interpretation is consistent with the CAISO's. Questions arose at several meetings at the CAISO late last year that the CAISO was not able to explain clearly enough to allow SDG&E to fully support the current proposal. More time is needed for the CAISO to clearly show exactly how the Flexible Ramping Product will work with in-depth examples from bid to bill and exactly how the forecast error will be determined and utilized in IFM, FMM and RTD.

The CAISO has committed to publishing on Oasis the flexible ramping product requirements beginning in Q1 2015 and resource specific cost allocation billing determinants with the Spring 2015 release on CMRI. This will be very helpful and we thank the CAISO for this additional information. However, this will be after the expected Board of Governors approval which adds difficulty to any subsequent changes. SDG&E is concerned that a number of substantive refinements will be identified in the next couple of months as further details in implementing the Flexible Ramping Product are ironed out.

SDG&E (and perhaps the other IOUs) has a pending dispute for millions of dollars with a similar implementation detail of FERC Order 764 in 2014. The elimination of Real Time Self Scheduled Energy as an offshoot of PIRP changes was never discussed as a policy change, represented in any impact examples and was masked by other problems with Expected Energy in the flawed market simulation bid to bill. SDG&E does not want to have any similar problems crop up with the Flexible Ramping Product.

The CAISO is making good progress on the Flexible Ramping Product and given the proper time and attention SDG&E expects to be able to support its implementation. The CAISO still has a number of problems to resolve from the Spring and Fall 2014 releases, the delayed OMS release and several large releases to get ready for Fall 2015. SDG&E encourages the CAISO to revise the Draft Final Proposal with the verbal explanations and clarifications it provided since its release and expand on the examples and possible interactions with price formation and Contingency Modeling Enhancements.

SDG&E recommends the CAISO delay presenting the Flexible Ramping Product to the Board of Governors until an additional level of detail and examples of how the Flexible Ramping Product will be implemented and how it will interact with other market changes the CAISO has scheduled (like Contingency Modeling Enhancements) to assure there will be no unintended consequences.