

Stakeholder Comments Template

Submitted by	Company	Date Submitted
Victor Kruger	San Diego Gas & Electric Company	July 11, 2017

Please use this template to provide your written comments on the stakeholder initiative “Capacity Procurement Mechanism Risk-of-Retirement (“CPM ROR”) Process Enhancements.”

Submit comments to InitiativeComments@CAISO.com

Comments are due July 12, 2017 by 5:00pm

The Straw Proposal posted on June 20, 2017 and the presentations discussed during the June 27, 2017 stakeholder conference call can be found on the [CPM ROR](#) webpage.

Please use this template to provide your written comments on the straw proposal topics listed below and any additional comments that you wish to provide.

1. Who can apply

Comments:

Who can apply depends mainly on when the results of the CAISO analysis will be released and also on how binding the generator affidavit is particularly if results are released before the year-ahead showing. SDG&E believes any generator should be allowed to apply regardless of RA contract status to make the CAISO’s analysis be as complete and meaningful as possible.

2. Timing

Comments:

SDG&E does not support any results being released before the year-ahead showing. Any results available before the year-ahead showing will front-run the RA process to the detriment of SDG&E's ratepayers. The results will include any generator that has applied since the close of the previous year's window. The CAISO's analysis will also include any generators the CAISO finds necessary for reliability even without application but any generator that has not applied will not be included in the results. This is where the CAISO creates the most effective minimized reliability portfolio to be used until the next reliability analysis. It will contain all needed "reliability clusters" like local capacity areas and cluster similarly situated generators to determine the minimum generation needed in the cluster to maintain reliability. The CAISO will not rerun the analysis if a generator gives notice to retire outside the open window and will use the results of the last analysis as the basis to try and keep any generator needed for optimized reliability and lets other generators timely retirement. The open window timing should be such that the reliability analysis results will be available immediately after the year-ahead showing.

3. Application Requirements

Comments:

SDG&E supports only one application window from September 15 – 30 each year. The affidavit is the only requirement. SDG&E does not support any restrictions based on the generators previous participation, offering or bidding behavior because it does not impact the generators future reliability value.

4. Selection Criteria when there are Competing Resources

Comments:

The CAISO's analysis in 2 above will result relative reliability rankings of generators and when not all the generators in a reliability cluster are needed, a random selector should be developed.

5. Term and Monthly Payment Amount

Comments:

Values need final determination of single or multiple windows and results release date(s). The term would normally bridge to the results release of the next annual analysis to avoid paying for capacity that is no longer needed for reliability. Payment rate could be based on CPM but an annual shaping factor may be needed to account for seasonal variations in value particularly for short-term bridging periods.

6. Cost Justification

Comments:

CPM is a reasonable starting point but adjustments for other than twelve months may be needed.

7. Decision to Accept

Comments:

The affidavit should cover this.

8. Other Comments

Please provide any additional comments not associated with the topics listed above.

Comments:

SDG&E's proposed methodology may eliminate the need for Temporary Shutdown of Resource Operations. If the generator is or will be needed for reliability it is paid to stay available. If it not needed it should just retire.