

## Stakeholder Comments Template

### Subject: Generated Bids and Outage Reporting for Non-Resource Specific RA Resources

Submitted by	Company	Date Submitted
<i>Please fill in name and contact number of specific person who can respond to any questions on these comments.</i>	<i>Please fill in here</i>	<i>Please fill in here</i>
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This template has been created for submission of stakeholder comments on the following topics covered in the *Issue Paper* regarding the process for generated bids and outage reporting for non-resource specific system resources with Resource Adequacy contracts. The *Issue Paper* was posted on December 18, 2009 and a conference call to discuss the paper and answer questions was held on December 30, 2009. Upon completion of this comments template please submit it to [GBiedler@caiso.com](mailto:GBiedler@caiso.com). Submissions are requested by close of business on January 8, 2009.

Please submit your comments to the following questions for each topic in the spaces indicated.

1. The ISO has identified three potential methodologies for calculating generated bids for NRS-RA resources. They include a price-taker option, the LMP-based option, and a negotiated option. Please comment on your preferences or concerns with respect to these options.

The Six Cities understand that the new SIBR functionalities will allow and recognize the insertion of generated bids only during hours that NRS-RA resources can provide the capacity and associated energy and not every hour of the day. The Six Cities strongly oppose the implementation of generated bids for NRS-RA resources until such SIBR functionality is in place and fully tested.

With the above caveat, the Six Cities support the negotiated option with the LMP-based option as a back-up. The Cities oppose application of the price taker methodology for generated bids.

2. Please provide any suggestions you have regarding what information should be used to inform the development of a negotiated bid for non-resource specific system resources.

A negotiated bid for a non-resource specific system resource generally should reflect the attributes of the resource contract and all costs that could be imposed for delivery of energy under the contract.

3. In keeping with the aim of treating NRS-RA resources as similarly as possible to resource-specific RA resources, the ISO proposes the adaptation of the forced outage reporting requirements for resource-specific resources. Please provide your comments on the proposed adaptation provided in the December 18<sup>th</sup> *Issue Paper*.

The CAISO issue paper appears to suggest that the only reason NRS-RA can have a forced outage is due to transmission curtailments or transmission outages outside the CAISO grid. Further, the CAISO appears to suggest that SCs have the obligation to seek alternative transmission arrangements when the primary transmission arrangement is unavailable.

However, there are many other valid reasons that might cause a NRS-RA resource to deliver less than its RA capacity. A few examples include (a) limitations on delivery of energy due to unsynchronized scheduling timelines between the CAISO and the neighboring BAs; (b) contractual provisions allowing the neighboring BAs to curtail firm exports for system reliability purposes; (c) nomogram considerations that are not directly translated into transmission path derates; (d) transmission limitations at the CAISO injection point that may cause the neighboring BAs to curtail deliveries to the CAISO injection point pursuant to the applicable RA contract even though there are no transmission limitations upstream.

It is unreasonable for the CAISO to continue to enforce the RA must-offer obligation when NRS-RA resources are unavailable due to such limitations. Further, imposing an obligation to seek alternative transmission arrangements when the primary transmission arrangement is unavailable is unreasonable as it goes beyond the current CAISO Tariff requirement for NRS-RA resources. In applying the must-offer obligation, the CAISO has recognized and accommodated both operational and contractual limitations for resource specific RA resources; it should make the same kinds of accommodations for non-resource specific system resources. The CAISO must modify its SLIC reporting tools and make appropriate accommodations in the scheduling and bidding protocols to recognize such factors. Furthermore, when NRS-RA resources are unavailable due to such circumstances, it might not be possible for the SC for the affected RA resource to (a) describe in detail the reasons for unavailability or predict an estimated return time; (b) tie derates (forced outages) to a particular transmission curtailments or transmission outages or (c) describe efforts to make alternate transmission arrangements to fulfill the must-offer obligation. Finally, SCs for non-resource specific system resources should not be subject to penalties or additional charges due to limitations in the CAISO's systems.