

Business Practice Manual Change Management Notice of Appeal and Opening Brief Template

Submitted by	Organization	Date Submitted
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<p>Please use this template to provide your Notice of Appeal and Opening Brief on the ISO’s decision regarding your proposed revision request or comments on any proposed revision request.</p> <p>Submit Notice of Appeal and Opening Brief to bpm_cm@caiso.com.</p> <p><u>Your Notice of Appeal and Opening Brief are due within ten (10) Business Days of the ISO’s published decision on the Proposed Revision Request.</u></p>		

Previous Comments on PRR 854

The Six Cities did not previously submit comments regarding PRR 854. The Six Cities raised concerns on the November 17, 2015 BPM Change Management Call with regard to the ability of non-fast starting resources, such as combined cycle units, to comply with the requirements in the ISO’s proposed language. The other issues raised in the Six Cities’ appeal were addressed in comments submitted in response to PRR 854 by other stakeholders.

Reason for Appeal

The Cities of Anaheim, Azusa, Banning, Colton, Pasadena, and Riverside, California (collectively, the “Six Cities”) submit the below appeal on the proposed changes to the Reliability Services Business Practices Manual regarding requirements for local capacity resources to be designated as local resource adequacy (“RA”) capacity.

The BPM Change Management process is not the appropriate vehicle for implementing new limits on qualifying as local RA capacity. In its response to comments submitted in PRR 854, the ISO explained that “PRR 854 does not institute new operational requirements on any resources: rather; it merely clarifies the current requirements that resources must meet to qualify as local capacity area resources in connection with the CAISO’s Local Capacity Technical Study.” See ISO Response to PRR 854 Round 2 Comments at 1. The Six Cities disagree with the ISO’s characterization that its proposed language is merely a clarification of requirements that are already in place. The language, on its face, places new limits on resources to qualify as local RA. This is a fundamental change for which the BPM Change Management Process is inappropriate. If the ISO believes these changes are necessary, it instead should present these changes in a new stakeholder process.

With regard to the substance of the ISO’s proposal, the new limits on resources to qualify as local RA are problematic, because the margin between local capacity needs and the total resources currently available to provide local capacity is not wide enough to withstand the potential loss of eligible local RA capacity. Adopting proposed language that makes it more difficult for a resource to qualify as local RA capacity may

create problems in meeting local capacity needs. The loss of local RA capacity that would have qualified absent the ISO's new requirements may also cause a stranded cost problem. If a load serving entity included a resource in its local resource portfolio that no longer would qualify as local RA, the ineligibility of the resource would result in stranded costs, potentially over multiple years.

Should the ISO remain determined to expand these requirements through the BPM Change Management process, it should modify proposed footnote 7 to address with more clarity how it will handle non-fast starting resources that are unable to meet the 20 minute response time requirement from a cold start. On the November 17th BPM Change Management Call, the ISO explained that for such resources, and combined cycle units in particular, the ISO has the ability to pre-dispatch those generators. Similarly, in its response to the PRR 854 Round 2 comments, at 1, the ISO stated that “[n]on-fast starting resources that have sufficient availability to be pre-dispatched more frequently can be incorporated into the CAISO’s Local Capacity Technical Study.” It also appears that this concept may be contemplated by the following language proposed by the ISO:

Local capacity resources can meet this requirement by . . . (2) hav[ing] sufficient energy available for frequent dispatch on a pre-contingency basis to ensure the operator can meet minimum online commitment constraints or reposition the system within 30 minutes after the first contingency occurs.

See BPM for Reliability Requirements, Redline v.3 at 106, fn. 7. However, it is not clear from this clause how exactly the ISO intends to incorporate into its Local Capacity Technical Study non-fast starting resources with sufficient availability. Despite this language, there still remain unanswered questions with regard to eligibility of non-fast

starting resources. The ISO should clarify the language to explain its process with regard to pre-dispatching such units that cannot be available from a cold start within 20 minutes.