

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Southern California Gas Company (U 904 G) and San Diego Gas & Electric Company (U 902 G) for Authority to Revise their Curtailment Procedures.

Application 15-06-020
(Filed June 26, 2015)

**RESPONSE OF THE CALIFORNIA
INDEPENDENT SYSTEM OPERATOR CORPORATION**

I. Introduction

Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission) and the Commission's July 9, 2015 Daily Calendar, the California Independent System Operator Corporation (CAISO) submits this response to the Application of Southern California Gas Company and San Diego Gas & Electric Company for Authority to revise their Curtailment Procedures ("Application"). The CAISO supports proposed changes to the gas curtailment procedures that recognize the interrelationship and interdependence between natural gas pipeline and electric system reliability and the need for natural gas pipeline companies and the CAISO to coordinate closely to maintain both gas and electric reliability.

II. Discussion

Natural gas-fired resources play a critical role in maintaining electric system reliability. These resources help balance system supply and demand in real-time and contribute ramping capability to manage the variability of wind and solar resources. It is in the public interest for

gas pipeline companies and the CAISO to coordinate in manner that maintains both gas and electric reliability to the extent possible.

In its Application, SoCal Gas and SDG&E propose to divide their gas transmission system into ten district local service zones. This proposal will enable the CAISO to map natural gas-fired resources in each zone and to coordinate with SoCal Gas and SDG&E on a resource-by-resource basis as certain natural gas-fired resources within a zone may serve a critical role in supporting electric reliability. Or, it may be necessary to identify the most fuel efficient resources in each zone in order to maintain electric reliability. With this information, the CAISO and SoCal Gas and SDG&E can coordinate operations with the most relevant information readily at hand.

The CAISO also supports SoCal Gas and SDG&E's proposal to recognize a higher curtailment priority for a percentage of natural gas-fired resources. Providing this high priority to a percentage of natural gas-fired resources will enhance the likelihood that the CAISO can keep critical generation on line during curtailments of natural gas service.

The CAISO recognizes the value of memorializing how the CAISO and the natural gas pipeline companies coordinate in the event of potential natural gas curtailments in the context of planned events, such as pipeline testing, as well as the risk of natural gas curtailments resulting from demand on the system. The CAISO will continue to engage in a collaborative process with stakeholders and natural gas pipeline operators to review and revise existing procedures and develop new procedures as necessary to enhance electric and natural gas coordination.

III. Conclusion

The CAISO supports changes to curtailment practices that enhance the ability of the natural gas companies and the CAISO to coordinate and minimize risk to both natural gas and electric reliability.

Respectfully submitted,

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