

## Stakeholder Comments on

### **January 26, 2011 Revision of Straw Proposal Regarding A New Scheduling Class for Regulatory Must-Run Pump Load in the Integrated Forward Market and Modifications to the Definition of Regulatory Must-Take Generation**

Submitted by	Entities	Date Submitted
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On January 26, 2011 the ISO issued a revised straw proposal regarding *A New Scheduling Class for Regulatory Must-Run Pump Load in the Integrated Forward Market and Modifications to the Definition of Regulatory Must-Take Generation* in an attempt to address concerns expressed regarding the December 14, 2010 proposal. Unfortunately, the revised straw proposal does not address many of the concerns and still leaves many questions unanswered. Although some of the objectives the ISO is trying to achieve may be laudable, the current rendition still creates more problems than it solves.

1. Proposal: New IFM scheduling priority class for regulatory must-run pump load

Further discussion and documentation is needed to make sure that the priority is only granted to the appropriate units. See prior comments of other parties for more explanation and details.

2. Proposal: Revised definition of Regulatory Must-Take Generation and related changes

On the February 2 call Sidney Davies explained that the priority was meant for a very specific and limited situation in which the operation of the generator directly supported other activities that would cease if the generator were to be curtailed. Ms. Davies provided an example related to a cogeneration unit tied to an industrial operation. If the intent of the revised definition was to give priority in a very narrow situation, further work is needed and questions need to be answered to make sure that the criteria for the class is clear and that the class is limited to a very specific

situation. The language has to be clear to make sure that priority is not granted to unintended units.

Many questions must be answered and carefully documented before stakeholders will be comfortable with modifications to the definition that they support in concept. For instance, if generating priority is to be granted to a generator tied to another operation, what level of activity of the operation is covered? Is it the minimum operating level or something higher? What if the operation has back-up facilities to supply energy in the event the generator is not operating? What if there are emission constraints on the back-up facilities? What if the transaction between the generator and the operation involves an indirect, rather than direct, transfer of energy? Is a priority still granted? The questions just raised are but a small sample of the questions held by stakeholders.

If the ISO's intent behind the Modifications to the Definition of Regulatory Must -Take Generation is to expand the category more than explained by Ms. Davies, additional concerns are raised for CMTA and EUF. Creating exemptions is contrary to existence of a level playing field and a level playing field is a key element of a competitive market.

See prior comments of other parties for additional concerns, explanations and details.

### 3. Timing

It was mentioned on the call that this topic was to be taken to the Board of Governors for approval at the end of March. Given the questions and concerns raised on the February 2 stakeholder call and the level of specificity required to prevent unintended consequences, a final proposal that contains the level of specificity requested by the stakeholders would not be ready for a March 30, 2011 Board of Governors meeting. On the call it was said that the Board would be asked to approve a more general proposal and that the details could be worked out afterward. The stakeholders on the call noted that this topic crosses over many sensitive issues and that stakeholders could not support a request for the Board to approve a proposal that did not contain the necessary details. CMTA and EUF agree that the topic should not be brought to the Board of Governors for approval until the stakeholder concerns have been successfully addressed and the necessary details documented in writing and included in the proposal approved by the Board.