

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

January 31, 2011

To: SCPM@caiso.com  
CAISORe: **CPUC Staff Comments on Standard Capacity Product Temporary Waiver**

The CPUC Staff appreciates the opportunity to comment upon the CAISO's proposal to file a temporary waiver for the Standard Capacity Product (SCP) reporting requirements for Qualifying Facilities (QFs), and proceed with a stakeholder process to address the underlying issues. The CPUC supports the CAISO's proposal to conduct a stakeholder proceeding to address issues raised by existing QF contracts, and to seek from FERC a waiver for applicable California Load Serving Entities (LSEs) from existing forced outage reporting requirements.

Section 40.9 of the CAISO tariff sets availability standards for Resource Adequacy (RA) requirements that are generally consistent with and complementary to the California Public Utilities Commission's RA requirements program.<sup>1</sup> Prior to the FERC's August 20, 2010 Order (FERC Order) modifying the subject tariff language,<sup>2</sup> generation units whose Qualifying Capacity for RA purposes was calculated based on historical output were exempted from otherwise generally applicable requirement that such units submit to the CAISO data on their forced outages. Pursuant to the FERC Order, the exemption on QF's reporting requirements expired on January 1, 2011.

The CPUC Staff understands that many of the existing QF contracts do not require or allow the Load Serving Entity and/or Scheduling Coordinator to collect the relevant outage data. The CPUC Staff also understands that a recent multi-party settlement regarding QF contracts, accepted by the CPUC in December of 2010 and currently pending disposition of several applications for rehearing, may address the new CAISO outage reporting requirements. Therefore, the CPUC Staff supports the CAISO's efforts to address the residual issues in a timely stakeholder process, and to request that the FERC waive penalties associated with LSEs' failure to report QF forced outages where they currently lack the contractual ability to collect such data. Otherwise, California ratepayers will

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<sup>1</sup> *Request for Clarification or, in The Alternative, Request for Rehearing of The Public Utilities Commission of The State of California*, filed in FERC Docket No. ER10-1524 on September 20, 2010 at pp. 1-2.

<sup>2</sup> 132 FERC ¶ 61,148.

likely bear the cost of any such penalties, while the CAISO, the CPUC and market participants are moving forward on addressing such complications.