

Discussion Questions for December 1, 2008 Standard RA Capacity Product Conference Call.

Conference Call Details

Date: Monday, December 1, 2008
Time: 1:00 p.m. – 3:00 p.m. Pacific Time

Teleconference Information

Dial-in Number: (800) 398-9397
International Dial-in: (612) 234-9959

On November 11th, the ISO published the Standard Resource Adequacy Capacity Product (SCP) Straw Proposal followed by a stakeholder review meeting. Based on stakeholder input, the SCP team is preparing the updated straw proposal that is scheduled to be published on December 4th. In order to gather some additional input for this document, a list of discussion questions has been prepared for the December 1st conference call to further explore some details of the proposal.

Availability Standards and Performance Incentives

1. Assuming that there is one availability standard and an annual target availability applicable to all resources, would it be appropriate to include a graduated financial incentive schedule around the target availability value? This would mean that small variations around the target would be subject to smaller incentive payment/charge rates, and large variations to larger rates. If so, comment on the appropriate rate structure for such a graduated schedule.
2. Since resources that are less than 10 MW in size are not required to report outages in SLIC, how should their performance be measured?
3. Do parties have comments, questions or concerns with the peak hours that were proposed in the Straw Proposal?
4. Do parties prefer the use of NERC GADS data versus the data in the ISO's SLIC system for performance measurement? If so please explain the reasons for such preference.

Transition Plan - During the meeting there was a lot of concern expressed regarding a transition period to total reliance on the SCP and provisions for grandfathering certain RA capacity during the transition. Please provide details on how this transition would work. Consider the following questions:

5. Why is a transition period needed?
6. Which categories of RA capacity should be included in any transition provisions?
7. The ISO does not know when the grandfathered RA contracts expire. How will they know when the RA capacity obligation moves from the existing RA methodology to the Standard Capacity Product?

8. Assuming there is some sort of transition, there should be a cut off date after which all RA capacity is represented by SCP tags. What should that date be? How much time is needed for this transition? Should the end of the transition be the same for all relevant categories of RA capacity, or will different categories require transitions of different lengths?
9. Assuming there is a transition period, a resource could conceivably have two types of RA obligations simultaneously – some MW contracted under the existing RA methodology and other MW under the SCP RA methodology. How should the performance metrics distinguish between these MW within the same unit? Bear in mind that only the new SCP RA MW are subject to availability standards and performance metrics (and potentially, the ancillary services must offer obligation).