

 California ISO	Market and Infrastructure Policy	Template Version:	1
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Policy Initiatives Catalog Submission Form		Date Created:	6/1/2017

California ISO Policy Initiatives Catalog Submission Form

This purpose of this form is to propose potential policy initiatives that require a stakeholder process and typically require tariff changes. Do not use this form to request or propose process improvements or administrative changes. Such requests should be made through your Customer Service Representative or Account Manager

Date: 7/2/2019

Submitter Information

Organization	Contact Name	E-mail	Phone
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Please provide a title for the issue.

POSO Enhancements Initiative

Please provide a summary description of the issue (i.e. 500 words)

From PG&E's perspective, the current planned outage substitution obligation (POSO) process does not reflect the operational realities of outage coordination for scheduling coordinators (SCs) and has effectively created significant uncertainties for SCs that hinder their ability to manage their portfolio, created barriers to readily transact resource adequacy (RA) products, and established rules that could result in an artificial shortage of RA capacity.

PG&E understands that CAISO is in the process of its RA Enhancements Initiative, which included aspects of the POSO process. However, PG&E believes that the broad scope of the initiative, along with the multiple workstreams that CAISO is reviewing, could further delay reviewing and addressing the gaps in the current POSO process. PG&E proposes an independent stand-alone policy initiative to address the CAISO's POSO process in an expedited timeframe. Given that issues with the POSO process have already been discussed among stakeholders, CAISO could leverage the work already done to expedite the stand-alone initiative.

One of the key objectives of the policy initiative is to focus on establishing a planned outage substitution process that provides certainty and transparency for market participants and CAISO. For example, CAISO's discretion to cancel outages up to seven days prior to the start of an outage hinders SCs from selling any residual RA or from procuring substitution RA, if needed. Increasing certainty could remove the "artificial shortage" in the RA market. Additionally, the current process may require SCs to assume a one-for-one megawatt (MW) substitution obligation for all outages in the month up until seven days prior to the start of an outage – far too late to offer any residual capacity to the market. With increased transparency

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and certainty, SCs could be better informed in managing their outages to ensure an adequate supply of RA resources.

Please provide any data/information available that would characterize the importance or magnitude of the issue.

The number of proposed revision requests (PRRs) that have been recently submitted in relation to the POSO process (e.g. PRR 1074, PRR 1122, PRR 1139, PRR 1154) should illustrate the need for a review of the CAISO's POSO process.