



## Comments of Pacific Gas and Electric Company on Draft Tariff Language

Submitted by	Company	Date Submitted
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### Regulatory Must-Take Generation

Pacific Gas and Electric Company (PG&E) appreciates the CAISO’s distribution of the “Second Draft Tariff Language; Regulatory Must-Take Generation (“RMTG”) Tariff Amendment” (“Second Draft”) for comment. The Second Draft incorporates many of PG&E’s comments that noted differences between the May 9<sup>th</sup>, 2012 Board Memo and the draft tariff. PG&E welcomes this opportunity to suggest further modifications to better conform the tariff to the flexibility requirements of the new RMTG policy.

#### Summary

One of the fundamental principles of the RMTG policy is the substitution of a new RMTmax scheduling priority for a limited amount of capacity by eligible generators, in place of a mandatory 100% put by those generators. PG&E’s comments focus on ensuring that the tariff preserves maximum scheduling flexibility to scheduling coordinators and CAISO by limiting RMTmax capacity to the amount actually required to meet the industrial thermal needs of the CHP host.

#### Comments

##### *Section 4.6.10 – RMTMax for CHP Resources*

Subsection (b)(2) provides that RMTMax is “reassessed and recertified by affidavit as often as quarterly if agreed by the Generating Unit’s owner and its Scheduling Coordinator or ... CAISO,” as the case may be. The tariff should not adopt a quarterly limit on updates of RMTMax because the Board Decision allowed RMTmax to be changed as often as the parties agreed. (See, Board Memo dated May 9, 2012, page 4, which states: “[t]he maximum amount eligible for regulatory must-take scheduling priority must be reestablished at least annually but may be changed as often as the resource owner and scheduling coordinator (or ISO) agrees.”)

### *Section 30.5.2.2*

Stakeholder suggestions that certain phrases should be removed have been adopted. PG&E notes that limiting the hourly RMTG to the quantity “to meet the reasonably anticipated industrial host’s thermal requirements and not its *electric* requirements is consistent with the type of electricity delivered under a CHP arrangement. Likewise, removing the phrase “the Scheduling Coordinator may have” correctly acknowledges that the contract right to curtail a seller’s generation may arise from various sources.

### *Appendix A, Master Definition Supplement:*

Definition of Regulatory Must Take Generation: PG&E also questions the definition of “Regulatory Must Take Generation.” The definition references the term “must-take”, however that term does not appear to be defined in the tariff. Although stakeholders to this proceeding understand the scheduling priority the RMTG are being granted, the definition of “Regulatory Must Take Generation” being proposed does not represent the same as is currently drafted. PG&E suggests the CAISO and stakeholders discuss this during the upcoming stakeholder call. If the CAISO believes the currently proposed “Regulatory Must Take Generation” definition works as is, it can provide an explanation during the next stakeholder call.

PG&E looks forward to participating in the June 28 teleconference during which these and other comments on the draft tariff language will be discussed.