



Comments of Pacific Gas and Electric Company

Subject: Standard Capacity Product Qualifying Facilities Waiver Tariff Language

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) appreciates the opportunity to submit comments on the California Independent System Operator Corporation's (ISO) *Standard Capacity Product Qualifying Facilities (QF) Waiver Tariff Language* (Tariff Language), posted September 16, 2011. PG&E has worked closely with the ISO and Southern California Edison Company in this proceeding and believes the effort has resulted in a much better understanding by all parties of the issues and in progress toward tariff language that takes into account QFs' unique attributes and regulatory treatment.

As PG&E indicated in the comments that it submitted on September 14, it is important that the ISO clarify its Tariff to clearly state that amended QF contracts continue to be exempted under Section 40.9.2 unless the amendment extends the contract term, increases the QF project capacity, and/or adds an additional resource. Other than these three circumstances, all amended QF contracts would continue to be exempt under Section 40.9.2. PG&E's proposed modifications to the Tariff Language provided by the ISO are below.¹

PG&E's Comments on the New ISO Tariff Sections 40.9.2(7) and 40.9.2(8)

- (7) Scheduling Coordinators for Qualifying Facilities that are Resource Adequacy Resources shall be exempt from the Outage reporting requirements of Section 40.9 if the resource ~~(i) is not subject to the Outage reporting requirements of Section 9.3.10, and (ii) provides Resource Adequacy Capacity under an existing agreement for Regulatory~~

¹ The ISO's red-lined Tariff Language has been accepted. Strike outs are deletions and underlined text are additions. For the ISO's convenience, a separate file is attached with all of PG&E's edits to the Tariff Language.

Must-Take Generation that is exempt from the application of Non-Availability Charges and Availability Incentive Payments pursuant to Section 40.9.2(2) or 40.9.2(3). This exemption from the Outage reporting requirements and Non-Availability Charges or Availability Incentive Payments of Section 40.9 shall end for each resource when its contract terminates or it is no longer eligible for exemption under Section 40.9.2(2) or 40.9.2(3), whichever is earlier.

- (8) Scheduling Coordinators for Qualifying Facilities that are Resource Adequacy Resources shall be exempt from the Outage reporting requirements of Section 40.9, and will not be subject to Non-Availability Charges or Availability Incentive Payments, if the resource ~~(i) is not subject to the Outage reporting requirements of Section 9.3.10, and (ii) provides Resource Adequacy Capacity pursuant to an existing agreement for Regulatory Must-Take Generation that was executed prior to the August 22, 2010 deadline for exemption under Section 40.9.2(2), and/or remains in effect pursuant to California Public Utilities Commission Decision 07-09-040 that extended the term of expiring contracts until _____.~~ This exemption from the Outage reporting requirements and Non-Availability Charges or Availability Incentive Payments of Section 40.9 shall end for each resource when its contract terminates.