



Comments of Pacific Gas and Electric Company
Transferred Frequency Response

Draft Transferred Frequency Response Request for Proposal and Agreement

Submitted by		Company	Date Submitted
Anne-Reed Angino (415) 973-8654	Nivad Navid-Azarbaijani (415) 973-1321	PG&E	May 9, 2016

Pacific Gas and Electric Company (PG&E) respectfully submits the following comments in the stakeholder process for the California Independent System Operator’s (CAISO) Frequency Response initiative Transferred Frequency Response Request for Proposal¹ and Agreement.² Below we comment on each draft document and address our concerns. Working with the ISO and stakeholders, PG&E will continue to strive for high standards of grid reliability at an affordable cost for customers.

Request for Proposal: Transferred Frequency Response

The Evaluation Criteria and Process

PG&E finds the evaluation process is unclear. In PG&E’s comments on the Frequency Response Draft Final Proposal, it was stated that “PG&E wants to ensure that the ISO’s competitive solicitation process is in fact competitive, and that parties will have the opportunity to intervene if they don’t think that the contract price and terms are appropriate.”³ In the current evaluation process, there is no intervention process detailed for other market participants. In line with our prior comments, PG&E requests there be a clear intervention process to ensure the solicitation is both competitive and that all bidders are treated similarly. In order to do so, CAISO load serving entities or their relevant regulatory authorities must be a part of the review process.

Finally, the CAISO states that the least cost bid will be chosen. The CAISO should include a detailed process for breaking a tie, if that situation were to arise.

Transferred Frequency Response Agreement

¹ http://www.caiso.com/Documents/TransferredFrequencyResponse_DraftRequestForProposal.pdf

² http://www.caiso.com/Documents/TransferredFrequencyResponse_DraftAgreement.pdf

³ http://www.caiso.com/Documents/PG_EComments_FrequencyResponseDraftFinalProposal.pdf

The agreement should further clarify the transaction that will be taken place. Specifically, it must be explicitly stated what is being transferred and who the respective buyer and seller are in this particular agreement. The terms “Buyer” and “Seller” should be used as the term “Transferee” is legally defined as a person or entity receiving property. This definition is inconsistent with the CAISO’s intentions within this document.

PG&E also found instances in which the roles contradict each other, for example Section 3 and Section 4.1 directly contradict each other, wherein Section 3 it is stated that the Transferred Frequency Response is “from the CAISO to the Transferee Balancing Authority” and in Section 4.1 it states “the Transferee balancing authority shall provide the CAISO with _____ MW/0.1 Hz.”⁴ The agreement should fully define roles and remain consistent throughout the document.

Additionally, sections 7.1 and 7.2 should better clarify which entity is liable for the Seller’s failure to perform. When that language is modified, it should be linked and confirmed to section 9 to eliminate confusion or misinterpretation of the intent.

⁴ http://www.caiso.com/Documents/TransferredFrequencyResponse_DraftAgreement.pdf