

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative “Capacity Procurement Mechanism Risk-of-Retirement (“CPM ROR”) Process Enhancements.”

Submit comments to InitiativeComments@CAISO.com

Comments are due July 12, 2017 by 5:00pm

The Straw Proposal posted on June 20, 2017 and the presentations discussed during the June 27, 2017 stakeholder conference call can be found on the [CPM ROR](#) webpage.

Please use this template to provide your written comments on the straw proposal topics listed below and any additional comments that you wish to provide.

1. Who can apply

Comments:

SCE believes that the proposal has struck a reasonable balance in terms of who can apply.

2. Timing

Comments:

SCE believes that the proposal has struck a reasonable balance in the timing of the application process. SCE believes that the timing is appropriate given that the CAISO has now proposed to limit the payments to that which is cost justified by FERC. Without this crucial pricing

mechanism, SCE would be concerned with the price discovery issues inherent in this timeline which had been previously mentioned by SCE.

3. Application Requirements

Comments:

SCE does not believe that the four criteria demonstrating that the resource is unlikely to receive an RA contract are necessary. The provisions appear speculative and difficult to reasonably prove. By limiting payment to the maximum of a FERC demonstrated cost of service, the information in this section is not necessary. This is assuming that the FERC demonstrated cost of service is reasonably assessed.

SCE believes that the CAISO should define the types of costs that should be considered within this rate for FERC to authorize. Further, SCE believes that the costs should not include any major maintenance adders. This is due to the fact that such adders will be difficult if not impossible to appropriately account for in a one year contract. For example, if major maintenance is required and the maintenance is expected to provide for an additional 10 years of service, should the contract pay the entire cost of the maintenance or 1/10 of the maintenance? What guarantees would need to be put in place to ensure that the major maintenance is reasonably necessary and was reasonably completed within the one year of the contract? How would payment terms and progress be synchronized to ensure that the benefits and costs are consistent?

If a specific resource is needed for reliability and in order to continue to be viable, the resource must have a major maintenance adder within a contract, then the CAISO should consider more appropriate mechanisms of procurement for which the costs and benefits are better matched.

4. Selection Criteria when there are Competing Resources

Comments:

SCE believes the proposed tie breaker is reasonable

5. Term and Monthly Payment Amount

Comments:

SCE believes the clarification provided is appropriate.

6. Cost Justification

Comments:

SCE agrees with the need to cost justify a CPM for Risk of Retirement with FERC.

7. Decision to Accept

Comments:

SCE has no comments on this topic.

8. Other Comments

Please provide any additional comments not associated with the topics listed above.

Comments:

[Insert comments here]