

Reliability Coordinator Rate Design, Terms and Conditions – Straw Proposal

COMMENTS TEMPLATE

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Please use this template to provide your written comments on the stakeholder initiative
“Reliability Coordinator Rate Design, Terms and Conditions”

Submit comments to initiativecomments@caiso.com

Comments are due April 26, 2018 by 5:00pm

The straw proposal that was posted on April 5, 2018 and the presentation discussed during the April 12, 2018 stakeholder meeting can be found on the following webpage:
http://www.caiso.com/informed/Pages/StakeholderProcesses/ReliabilityCoordinatorServicesRateDesignTerms_Conditions.aspx

Please identify which topic your question relates to as part of your comments.

Topics include:

General Governance Comments:

- CAISO as RC
 - In its role as the RC, CAISO shall comply with all applicable regulatory requirements. The RC function shall report to the CAISO Vice President of Operations. At least biannually the CAISO Board, the CAISO Vice President of Operations, CAISO management with RC responsibilities and

the Oversight Committee shall conduct a closed meeting to discuss any pending issues.

- Regulatory Construct
 - The key components relationship between CAISO, as an RC, and (1) any TOPs/BAs taking RC services from the CAISO and (2) Oversight Committee shall be captured through revisions to the CAISO tariff (as approved by FERC). However, the detail of the relationships may be captured in the Charter documents that are amendable by vote of the majority of the present members of the Oversight Committee that are taking RC service from the CAISO.

- Oversight
 - CAISO should provide additional clarity on the dispute resolution process including but not limited to:
 - Disputes between members of the RSPC and future Oversight Committee
 - Disputes between CAISO RC and the RSPC/Oversight Committee
 - To the extent the Oversight Committee shall disagree with any decisions made by the CAISO, in its role as RC, either the CAISO or the Oversight Committee (by majority vote) may seek a resolution of the dispute by NERC or FERC as appropriate

- Scope of Services
 - SCE considers the scope of services listed in the Straw Proposal to be consistent with the services that are provided by Peak RC. Additional detail is necessary for SCE to ascertain the service levels that should be expected and how consistent they will be with existing services offered by Peak RC.
 - CAISO should provide additional clarity on how tools and licenses will be shared in the future.
 - Joint user agreements
 - Intellectual property rights

- Supplemental Services
 - HAA tools should be offered at a reduced cost as compared to those offered by Peak RC

- Funding Requirement
 - RC Operation Budget – Given that CAISO is using a task based (ABC) methodology to support staffing requirements, SCE requests that CAISO provide additional detail to illustrate how it arrived at an expected staffing level of 28 FTE for CAISO RC Functions
 - What level of effort, process throughput, and assumptions were made to arrive at 28 FTE?
 - Operating Budget Reserve – No comment at this time.
 - Penalties – CAISO should define the process of how penalties will be assessed and disbursed among RC Funding Parties (Customers).
 - Provide specific examples to illustrate how penalties will be fairly distributed under different scenarios
 - Annual Revenue Adjustments –
 - Should include annual cap on year over year funding increases
 - A mechanism should be developed to address non-standard or exceptional increases
 - Quarterly Adjustments –the mechanism for adjustments is applicable, however, specifics on percentages, dollar figures, and how excess revenue collected will be utilized needs to be further vetted.
- Rate Design
 - See funding requirement comments
- Settlements Process/Billing
 - No comment at this time.
- Initial Commitment Terms
 - No comment at this time.
- Exiting Terms
 - No comment at this time.
- Service Agreements
 - CAISO should develop an RC Service Agreement for entities with the current CAISO BA.
- Onboarding
 - No comment at this time
- Other [specify]