

Dear CAISO:

SCE Comments on CAISO Draft Technical Bulletin dated September 19, 2011 on proposed Queue Cluster 4 Deliverability Assessment Methodology prepared by: Gary Holdsworth, SCE Grid Interconnections & Contract Development dated: September 30, 2011

Based on the Draft Technical Bulletin dated September 19, 2011 and the stakeholder meeting held on September 26, 2011, along with clarifications provided by the CAISO regarding instances where application of the revised methodology as outlined in the Draft Technical Bulletin would not be appropriate, SCE concluded that it can support the CAISO's proposed changes to the Cluster 4 Phase I deliverability assessment methodology.

SCE's support is based on the CAISO's assurances that it will work with SCE in the few identified cluster study sub-groups that will require continued application of the conventional deliverability study methodology, such as the East of Pisgah sub-group, which is an area that has the following characteristics: 1) the amount of QC3 interconnection requests in MW does not provide for a representative sample size for proxy cost-per-MW extrapolation to QC4 nor do the QC3 resources exceed the amount provided for in the CPUC resource portfolios; and 2) the amount of QC4 interconnection requests in MW far surpasses the amount of system capability.

These are the same circumstances that would lead to continued use of the conventional deliverability assessment methodology as outlined in the two bullet points under Step 1 (page 6 in the Draft Technical Bulletin), that state that the current deliverability assessment methodology would be necessary because of an insufficient price signal that could occur because either of the following: 1) there were no material generation in QC3 but considerable generation in QC4, or 2) when the voltage levels of interconnection requests in QC3 are different than the voltage levels of interconnection requests in QC4.

SCE appreciates the CAISO addressing its concerns in this regard, because for the proposed Cluster 4 Phase I deliverability assessment methodology to be effective, the derived QC3 cost-per-MW price signal needs to be sufficiently representative of the resource base in QC4. Where this is clearly not the case, such as in East of Pisgah, the appropriate response would be to perform the deliverability assessment the conventional way.

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