

Stakeholder Comments Template

**One for Many Revised Draft Final Proposal  
January 10, 2014**

Submitted by	Company	Date Submitted
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SDG&E appreciates the opportunity to comment on the Revised Draft Final Proposal for RA One-For-Many Manual Substitution.

SDG&E agrees with the concept that a resource should be allowed to substitute for many resources on forced outage to avoid potential penalties from the availability mechanism.

During the conference call on January 10<sup>th</sup> and the subsequent posting of the revised tariff language which was not available prior to the call, more questions have come about. SDG&E makes the following recommendations to the Proposal.

1. SDG&E believes that the current Tariff does not prohibit the ISO from allowing the one for many unit substitution at all. SDG&E believes that the BPM could be modified to accommodate for this manual process without making changes to the Tariff until the automated solution is found.
  
2. SDG&E believes the newly defined term of RA Substitute Capacity is outside the meaning of a Standard Capacity Product. A Standard Capacity Product means all capacity is treated the same, has the same must offer obligations and is applicable for the same availability incentives and non-availability charges. ISO currently defines the Standard Capacity Product as any RA Capacity (replacement and CPM included) that has committed capacity on a supply plan. Yet substitute capacity shall not be applicable for such incentives or charges even while the capacity shall replace such RA Capacity and must be operationally available to the ISO as well as bid or self schedule into the ISO markets. If the substitute capacity is considered or is the same as RA Capacity then the substitute capacity should be afforded the same benefits and services of RA Capacity such as bid insertion.

3. SDG&E is concerned with the proposed approval waiting period. For the amount of time that the ISO has proposed (up to 5 business days), and if the substitution is denied, the substitute capacity may have performed its services and the resource on forced outage does not have any ability to try again the substitute resource. This seems like the better solution is to allow the substitution once the forced outage is over. This way, the resource on forced outage has sufficient time to find acceptable non-ra capacity that did bid or scheduled into the ISO markets and have 100% certainty that the substitution would offset its penalty.
4. SDG&E believes that the proposal changes the allocation of costs that is in the current tariff for a derate on the substituting capacity. In the current tariff, 40.9.4.2.2(1), any derate will apply first to any non-RA capacity of the resource. This means that 100% of the derate will apply to the substitute capacity since substitute capacity is currently considered non-RA capacity. As such, the non-availability charges will be applicable to the resource on forced outage. In the new proposal, the ISO is making a change to the cost allocation of such a derate. The proposed section 40.9.4.2.1(j) is now allocating the derate pro-rata on a resource that was partially committed as RA capacity as well as RA Substitution Capacity rather than to the RA Substitution Capacity first. This policy shift was not contemplated for this initiative.

Thank you.