ISO-CPUC Joint Workshop on Slow Response Local Capacity Resource Assessment 10/3/16

Submitted by	Company	Date Submitted
Victor Kruger vkruger@semprautilities.com 858-654-1619	SDG&E	October 12, 2016

San Diego Gas & Electric (SDG&E) respectfully submits the following comments in response to the California Independent System Operator (CAISO) and California Public Utilities Commission (CPUC) request for stakeholder input on the potential availability requirements for slow response resources to meet local capacity area reliability needs.

SDG&E appreciates the ISO-CPUC's efforts to determine the appropriate requirements for slow response resources to meet local capacity area reliability needs. However, SDG&E urges caution about new requirements that are based on inappropriate data or a flawed methodology.

SDG&E supports the ISO's use of the step 2 (or method 2) analysis to properly reflect certain reliability needs like reactive support not examined in step 1 (or method 1). It is not yet clear if changing Local RA requirements is the proper solution at this early point in refining the determination of the needed slow response attributes. Some data appears to show that more than 4 hours of response may be needed in certain capacity areas. This would place a higher burden on slow response resources than other Local RA resources that only have to be available for 4 hours. A change in the minimum response time needed to count for Local RA is a major change and must be fully justified. A totally new framework like CME for SOLs may be a better solution. Additional analysis and evaluation must be done.

SDG&E also has concerns about a possible major change in the RA framework to address needs that span TAC areas. SDG&E understands the ISO must address all reliability needs even across historically separate LCR areas. However, RA may not be the only solution as in CME. Cost allocation issues become a major issue if an RA process is used to address cross TAC area reliability problems. The ISO-CPUC will have to work closely together to assure a workable solution does not favor certain ratepayers. Again a RA solution may not be optimal.

There are a number of smaller issues that SDG&E expects clarification on as work proceeds on requirements for slow response resources to meet local capacity area reliability needs such as:

- use of future load shapes or scaling of historical load,

- combining resources to meet minimum standards,
- accounting for uncertainty like forecasts,
- honoring contractual limitations,
- optimizing resource use,
- handling overlapping capacity area needs,
- delineating planning from operational needs,
- what is pre-dispatch and should it be broken into several items,
- time needed to implement changes both at ISO and CPUC,
- is a “safe harbor” appropriate for low levels of penetration,
- how often must studies be redone and
- do must offer obligations and time periods need to change and many other details.