

Stakeholder Comments

Reliability Services – Revised Straw Proposal Issued August 11, 2014

| Submitted by | Company | Date Submitted |
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| Sue Mara RTOAdvisors, L.L.C. (415) 902-4108 sue.mara@rtoadvisors.com | Alliance for Retail Energy Markets (AReM) ¹ | September 5, 2014 |

The Alliance for Retail Energy Markets (“AReM”) appreciates the opportunity to submit these comments on the CAISO’s Reliability Services Revised Straw Proposal dated August 11, 2014.

AReM strongly supports the CAISO’s changes to the current replacement rules for Resource Adequacy (“RA”) capacity for planned outages.² As AReM has previously argued, load-serving entities (“LSEs”) neither control such outages nor have information about when they are planned. Instead, such information resides (or should reside) with the RA supplier. Further, the CAISO controls whether requests for planned outages by the RA supplier are approved and for what time period. The current rules impose an unnecessary administrative burden on LSEs, who are forced to scramble to find replacement capacity when notified by the CAISO that a planned outage, of which it had no previous knowledge, has been approved for its RA capacity. Thus, the CAISO’s proposal to transfer the replacement obligation to the RA supplier makes logical sense and relieves the current administrative burden on the LSEs.

AReM notes, however, that the CAISO currently plans to roll-out implementation of this new replacement rule for the 2017 RA compliance year.³ AReM respectfully requests that the CAISO consider accelerating implementation of the new outage replacement rules to 2016. AReM sees no reason to further delay this significant improvement to the current rules.

¹ AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California’s direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members with respect to the issues addressed herein.

² Revised Straw Proposal, p. 63.

³ Revised Straw Proposal, p. 7.