

## Stakeholder Comments Template

Submitted by	Company	Date Submitted
Kathleen Hughes khughes@SantaClaraCA.gov (408) 615-6632	Bay Area Municipal Transmission group (BAMx)	June 6, 2017

Please use this template to provide your written comments on the stakeholder initiative  
“Temporary Suspension of Resource Operations.”

Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due May 30, 2017 by 5:00pm**

**(Note the comment deadline was subsequently changed to June 6<sup>th</sup> by the CAISO.)**

The Issue Paper posted on May 10, 2017 and the presentations discussed during the May 19, 2017 stakeholder conference call can be found on the [TSRO Website](#).

Please use this template to provide your written comments on the issue paper topics listed below and any additional comments that you wish to provide.

### 1. Scope of Initiative

Please provide any comments on the scope of this initiative.

#### **Comments:**

[See below.](#)

### 2. Identified Issues

Please provide any comments on the issues that have been identified thus far in the initiative, including whether there are other issues that you would like to identify.

#### **Comments:**

California's transition to a low carbon future represents a major, long-lasting, change for the electric industry. With this change, the market will not likely support the capacity surpluses that exist today. While generator owners understandably will seek to reduce their costs in their attempt to become competitive, care must be taken that accommodations by the CAISO to provide optionality to generators do not create a cost risk for ratepayers.

For example, any new process should not create a path around or extend the CAISO's current process for "mothballing" generation as described in the Generator Management BPM. The existing process is already generous in allowing a generator to maintain its Deliverability priority for two consecutive cluster application windows after shutting down. Ratepayers face the potential cost risk of unnecessary transmission if the system is expanded to accommodate new generators while an out-of-market existing generator is contemplating its future options.<sup>1</sup> Any new process developed under this initiative should be within the timeline of the current Generator Management BPM Scenario 2, and should not be sequential.

While market adjustments can be disorderly, procedural and market mechanisms should encourage market participants to act in a timely manner to avoid "fire drills" associated with short lead-time notifications. For example, if compensation is to be considered for the request for economic suspension that is denied, such compensation should be linked to the generator having provided sufficient notice such that short-term measures for transmission improvements can be considered and implemented. Generators should not be rewarded for creating crises on the electric system or unnecessary ratepayer costs due to a short notification period.

### 3. Other Comments

Please provide any additional comments not associated with the topics listed above.

#### Comments:

There is a strong linkage between the stakeholder initiatives "Temporary Suspension of Resource Operations" and "Capacity Procurement Mechanism Risk-of-Retirement ("CPM ROR") Process Enhancements." In each case, the CAISO must make a determination whether certain generators must remain available to maintain system reliability that would otherwise shut down in response to market conditions. We expect this issue to become more acute as the state proceeds in achieving its GHG goals. The CAISO acknowledged the overlap in these initiatives during the respective stakeholder meetings, but offered that the schedules have been organized so that they run in parallel. Given the overlap and the similar schedules, the

---

<sup>1</sup> This is not merely a hypothetical risk, as it occurred recently in the proposed Coolwater-Lugo Transmission Project licensing. Fortunately, other generator retirements in the area allowed the transmission upgrade to be avoided while the generator owner of the large retiring power plant utilized the Generator Management BPM Scenario 2 to consider future options.

benefits of maintaining two separate initiatives with similar topics, similar stakeholders and closely scheduled stakeholder meetings appears to be inefficient. BAMx encourages the CAISO to reconsider its decision to split these initiatives.