

**Stakeholder Process: Replacement Requirement for Scheduled Generation Outages**

## **Summary of Submitted Comments**

**Stakeholders submitted four rounds of written comments to the ISO on the following dates:**

- September 7, 2010
- March 23, 2012
- May 2, 2012
- June 1, 2012

**Stakeholder comments are posted at:**

<http://www.caiso.com/Documents/Replacement%20requirement%20for%20scheduled%20generation%20outages%20-%20stakeholder%20comments>

**Other stakeholder efforts include:**

- Stakeholder Teleconference/Web Conference, June 14, 2012
- Stakeholder Teleconference/Web Conference, May 24, 2012
- Stakeholder Teleconference/Web Conference, April 24, 2012
- Stakeholder Meeting, March 13, 2012

	Replacement requirement based on 115% resource adequacy level	Timing of resource adequacy showings and supply plan submittal, outage approval	Short-term opportunity outages	Non-designated resource adequacy capacity	Short-term replacement resource adequacy capacity	Electronic bulletin board
Alliance for Retail Energy Markets	Contends that replacement capacity obligations should be transferred completely to resource adequacy suppliers.	ISO must address issues such as load forecast and load migration adjustments if moving showings to 45 days.				
Calpine Corporation	Notes that this policy is a significant change from current practice and may require contract modifications					
California Department of Water Resources – State Water Project	Pseudo-generation associated with a participating load should not be subject to replacement requirement			Should be able to include non-resource adequacy capacity from a partial resource adequacy resource.		
California Public Utilities Commission		May need to have change to CPUC timing in 2014, not 2013.			Should not be charged to load serving entities which require replacement capacity, but all load serving entities.	

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Energy Producers and Users Coalition and Cogeneration Association of California	Needs to be consistent with the Qualifying Facility/Combined Heat and Power settlement.  Should be simplified to provide that the load serving entity has responsibility for meeting resource adequacy requirements before the operating month					
GenOn Energy	The proposal will introduce inefficiency, risk and higher costs by unnecessarily complicating resource adequacy contracting and outage management  For 2013 adopt existing CPUC replacement rule, and work on this for later. Consider grandfathering existing contracts		Object to entire outage changed to forced if outage is extended – forced outage status should only begin at the time the outage is extended.		Should be open to non-resource adequacy and partial resource adequacy units  Parties should have up until closer to the outage to provide replacement capacity.	
La Paloma	Supports				Should be open to non-resource adequacy units	Supports

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Northern California Power Agency	Expresses concern about potential costs to ratepayers.		Believes short-term opportunity outages should be allowable in peak hours if the conditions allow.			
NRG Energy	Generally supports	Supports	Concerned with the potential for cancellation of previously planned outages	Supports		Supports
Pacific Gas and Electric	<p>Opposes using 115% in every hour. Recommends the ISO continue to adhere to its existing tariff (i.e. no changes)</p> <p>Suggests using 115% only in standard capacity product assessment hours.</p> <p>Need to address how use limited resources will be considered.</p>	Recommends coordination with the CPUC.				Supports
Silicon Valley Power	Want clarification that if load serving entity remains above 115% when a unit is on outage, it will not require replacement.					

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Southern California Edison	Generally supports, but request additional meeting				Concerned that this proposal would cause the ISO to become a "marketer" of power.	
San Diego Gas and Electric	Generally supports  Believes that allowing outages if the overall system resource adequacy is at 115%, but the individual load serving entity is less than 115% may result in free-rider problems.	Suggests 30 days might be sufficient, but not opposed to 45 days.		Believes this is overly complex and unnecessary – load serving entity can provide replacement capacity by t-10.		
Six Cities	Suggest ISO adopt existing CPUC replacement rule for one year interim period.	Supports	Suggests more flexibility in allowing outages.			Supports
Wellhead Power	Supports  Notes that scheduled outage replacement requirement has always existed.					
Western Power Trading Forum	Generally supports		Concerned with the potential for cancellation of previously planned outages			

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ISO Management Response	<p>The CPUC replacement rule will no-longer apply after January 1, 2013. Thus, the ISO must institute a requirement to ensure that sufficient resource adequacy resources are available to operate the grid reliably.</p> <p>Management believes that efficiencies are gained through the diversity of load serving entities' portfolios. Transferring the capacity obligation to suppliers prior to the operating month would result in a loss of these efficiencies.</p> <p>Managing the system level of resource adequacy capacity to 115% ensures that excess resource adequacy capacity is not procured.</p> <p>Pseudo-generators are treated equivalently to other generators in the fleet.</p>	ISO Management recognizes that some coordination with other entities involved with the resource adequacy program will be necessary, and is taking steps toward that end.	<p>To facilitate reliable management of the grid, the proposal restricts short-term opportunity outages to non-peak hours.</p> <p>The proposal does not change existing rules on cancellation of previously approved outages. Likewise, the proposal does not propose changes to existing rules regarding forced outages.</p> <p>In particular, no change is proposed in this initiative to the policy that, once an outage extends past its planned end date, the whole outage is deemed forced.</p>	<p>ISO Management clarifies that non-resource adequacy capacity from a partial resource adequacy resource can be listed as non-designated resource adequacy capacity.</p> <p>In addition, Management notes that the specification of non-designated resource adequacy is optional.</p>	<p>The criteria used to select capacity for the current capacity procurement mechanism will also be used in procuring the proposed short-term replacement resource adequacy capacity.</p> <p>All resources are eligible to offer capacity for short-term replacement resource adequacy.</p> <p>Load serving entities will not be responsible for any outages scheduled after t-45. Any outages requested after 45 days before the operating month are the responsibility of the generator. No change is proposed to the process or timeline by which generators provide substitute capacity.</p> <p>Management is proposing that load serving entities that fail</p>	Supported or no comment from stakeholders.

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					to cure deficiencies in their resource adequacy showing will be charged the cost incurred to procure capacity on their behalf.	