

## Comments on FERC Order 831 – Import Bidding and Market Parameters: Revised Draft Final Proposal

### Department of Market Monitoring

September 2, 2020

The Department of Market Monitoring (DMM) provides these comments on the ISO's *Variable Operations and Maintenance Cost Review Draft Final Proposal*.<sup>1</sup> DMM appreciates this opportunity to provide comments.

### Comments

DMM generally supports the ISO's proposal as a reasonable approach. We support the proposal with the following caveats:

1. We suggest that the ISO consider bolstering the proposed hydro default. DMM is supportive of the development of a default major maintenance adder for hydro resources, but recommends that the ISO consider additional sources.
2. The proposal includes detailed definitions which will facilitate negotiation of maintenance reference levels. The definition of service life includes an unfortunate typo that should be corrected before this proposal is submitted to the ISO Board for approval. The ISO proposal states the following:

“For example, a resource may apply for a cost associated with a maintenance activity that would occur very far into the future (e.g. over 100 years). In such cases, the CAISO has determined that such a maintenance activity is unlikely to occur and thus the associated cost of wear-and-tear will never be incurred.”<sup>2</sup>

DMM suggests that the first sentence quoted above should instead be: a resource may **not** apply for a cost associated with a maintenance activity that would occur very far into the future (e.g. over 100 years).

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<sup>1</sup> Variable Operations and Maintenance Cost Review Draft Final Proposal, California ISO, August 12, 2020:  
<http://www.caiso.com/InitiativeDocuments/DraftFinalProposal-VariableOperations-MaintenanceCostReview.pdf>

<sup>2</sup> Ibid. p20.