Comments on Variable Operations and Maintenance Review Draft Tariff Language

Department of Market Monitoring
November 17, 2020

Summary

DMM appreciates the opportunity to comment on the ISO's *Draft Tariff Language - Variable Operations and Maintenance Cost Review.*[1] We suggest the following clarifications to the proposed tariff changes.

New defaults should replace the old for all resource types.

The proposed tariff language states: (section 30.4.5.4.2).

> Effective January 1, 2022, default adders established pursuant to this Section 30.4.5.4.2 will supersede and replace any then-existing default adders previously established for resources with the same fuel source or technology.[2]

DMM suggests that the ISO strike the phrase "for resources with the same fuel source or technology" from the proposed language. The fuel source and technology categories are being updated. Striking the language will clarify that the new defaults replace the existing in all cases, not only in cases when a new defaults have replaced existing defaults for the same fuel sources or technologies.

All response deadlines should be business rather than calendar days.

DMM recommends that all deadline be given in business days rather than calendar days. The fifteen day analysis period has been updated but the 10 day notification for calculated values has not (section 30.4.5.4.3.2 CAISO Process:

> Within ten (10) days after providing written notification to the Scheduling Coordinator that the information is sufficient and accurate, the CAISO or Independent Entity will determine the reasonable negotiated Variable Operations and Maintenance Adders for major maintenance expenses to be included in the Proxy Start-Up Costs, or Proxy Minimum Load Costs, and/or Default Energy Bids under the Variable Cost Option or both, and will so inform the Scheduling Coordinator in writing[3]

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[1] *Revised Draft Tariff Language – - Variable Operations and Maintenance Cost Review*, California ISO, November 3, 2020: http://www.caiso.com/InitiativeDocuments/DraftTariffLanguage-VariableOperations-MaintenanceCostReview.docx

[2] Ibid. p 16.

[3] Ibid. p 18.

Negotiated values should be effective three days following a resolution date, rather than the next day, so that newly negotiated reference values will be effective on the same date in both the day-ahead and real time markets.

Reference values must be calculated for production the evening prior to the day-ahead market run, which takes place the day prior to the effective date of the market. Therefore, rather than being effective the first business day following the termination of good faith negotiations in section 30.4.5.4.3.2, the effective date should be three business days following the conclusion of negotiations.