



Comments of Pacific Gas & Electric Company

2020 Final Policy Initiatives Roadmap

Submitted by	Company	Date Submitted
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Pacific Gas and Electric Company (PG&E) offers the following comments on the California Independent System Operator's (CAISO) 2020 Final Policy Initiatives Roadmap. Overall, PG&E agrees with CAISO's stated drivers in shaping the policy roadmap for 2020 but would like to highlight key initiatives that should be prioritized and thus not delayed. This is especially important to keep in mind given that PG&E believes the proposed plan is overly ambitious in scope and timing. In case CAISO needs to make tradeoffs, CAISO should prioritize 1) System Market Power Mitigation and FERC Order 831, 2) RA Enhancements, and 3) CPM Soft Offer Cap.

In addition to this list of priorities, PG&E offer the following comments:

1. PG&E appreciates that System Market Power Mitigation is now a major initiative; but PG&E urges CAISO to explore interim solutions that can be implemented for the Summer of 2020.

PG&E appreciates the work that CAISO has done thus far on System Market Power Mitigation and is glad to that it has become a major initiative. PG&E is looking forward to actively participating in the SMPM Phase 1 Major Stakeholder Initiative.

The Final Roadmap shows that SMPM Phase I should be implemented in time for Summer of 2021. This timeline leaves the potential for the unmitigated exercise of market power in the Summer of 2020. PG&E again urges the CAISO look at BPM changes, contingencies, or interim solutions that can be implemented in the Summer of 2020 if market power becomes a significant issue.

2. CAISO should prioritize System Market Power Mitigation/FERC Order 831, RA Enhancements, and CPM Soft Offer Cap.

As stated above, PG&E believes System Power Mitigation/FERC Order 831, RA Enhancements, and CPM Soft Offer Cap are the most consequential initiatives for CAISO to focus on next year. Both System Market Power and FERC Order 831 are needed to prevent significant cost impacts to customers if market power can be exercised by internal generation or on the interties. For the CPM Soft Offer Cap initiative, PG&E urges CAISO to restart their efforts to address capacity market power mitigation as part of the CPM process.¹

¹ Additionally, the Final Roadmap has the CPM Soft Offer Cap finishing in Q2 of 2020, which is unrealistic given the hiatus in policy development in this initiative.

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3. PG&E believes the plan for 2020 is overly ambitious and should prioritize initiatives mentioned above in case tradeoffs are necessary.

PG&E believes CAISO's 2020 plan with fourteen initiatives (eight major, four regular, and two potential initiatives) is too ambitious in scope and timing. PG&E would like to echo its request from last year for CAISO to provide some sort of classification of how intensive initiatives are to implement. This information would allow stakeholders to better understand where CAISO is planning to focus time and envision how CAISO will balance these initiatives.² If CAISO needs to make tradeoffs among initiatives during 2020, CAISO should prioritize the initiatives mentioned above.

PG&E recognizes and is encouraged by CAISO's new process guidelines.³ These are positive changes that PG&E supports.

Given that priorities often change throughout the year, PG&E would also like to request CAISO continue to provide an updated roadmap on quarterly basis.

² [PG&E Comments on CAISO's 2019 Draft Three-Year Policy Initiatives Roadmap and Annual Plan](#)

³ See page 20 of CAISO presentation on the 2020 Roadmap. CAISO will complete policy, tariff, and business requirements development prior to board of Governors and EIM Governing Body approval. Available here: <http://www.caiso.com/Documents/2020FinalPolicyInitiativesRoadmap.pdf>