

***Response to Stakeholder Comments
Generated Bids and Outage Reporting for NRS-RA Resources – Business Requirements Specifications
July 22, 2011***

No.	Topic Area	Submitter (Name and Company)	Comment Submitted	ISO Response
1	BRS- Calculation of Generated Bids	Randy Nicholson, San Diego Gas & Electric	<p>BRQ012: Any generated bid agreed upon by the ISO and a Scheduling Coordinator under the Negotiated Rate Option shall be filed at FERC within the first seven days of the next calendar month. The generated bid shall remain in effect unless:</p> <ol style="list-style-type: none"> 1. The generated bid is modified by FERC. 2. The generated bid is modified by mutual agreement of the ISO and a Scheduling Coordinator 3. The ISO or Scheduling Coordinator provides written notification that the generated bid is no longer acceptable for use under the Negotiated Rate Option. <p><u>Comment:</u> The Scheduling Coordinator should be able to update the negotiated bid based on changes in the supply resource. This would avoid the need to setup up multiple Intertie Resource IDs at each tie point.</p>	Negotiated price is at the resource level and we need the process related to the negotiated rates.
2	BRS- Outage Policies for NRS-RA Resource	Randy Nicholson, San Diego Gas & Electric	<p>BRQ024: NRS-RA resources shall have the opportunity to submit notices of unavailability through SLIC or an outage management system that replaces SLIC in the future.</p> <p><u>Comment:</u> Any outage management system must have the ability for scheduling coordinators to flag a forced outage due to transmission. Transmission outages should not be counted against the NRS-RA Resource's unavailability as it is not a resource issue but rather a transmission issue.</p>	Transmission outages are currently counted as planned outages and therefore no penalty is assessed.
3	BRS- Outage Policies for NRS-RA Resource	Randy Nicholson, San Diego Gas & Electric	<p>BRQ025: Market Systems shall consume outage data from SLIC for Intertie resources.</p> <p><u>Comment:</u> How will transmission outage data in SLIC be applied to NRS-RA bid quantities? Would it be pro rata or other mechanism?</p>	The project team believes that this would be a pro rata.
4	BRS- Subset of Hours RA Contracts for All RA Resources	Randy Nicholson, San Diego Gas & Electric	<p>BRQ030: The supplier must provide a sworn statement by an appropriate executive of the company that attests to the RA contractual obligation specifying subset-of-hours treatment, and include this with its supply plan. The sworn statement will be required to be provided to the ISO no less than once each year, and in each instance where a contractual arrangement changes.</p> <p><u>Comment:</u> SDG&E strongly opposes this business requirement. Currently, CAISO does not require</p>	Disagreement noted

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			executive attestation for any other Supply Plan-related submittals. Scheduling Coordinators are already obligated under the CAISO Tariff to provide accurate information on its resources. Imposing this requirement for each RA contract, each year and for each change in contractual terms would be administratively prohibitive.	
5	<i>BRS- Monthly and Annual RA External User Interface</i>	<i>Randy Nicholson, San Diego Gas & Electric</i>	<p><u>Comment:</u></p> <ol style="list-style-type: none"> 1. SDG&E believes this section merits its own stakeholder process. This proposed section has wide ranging scope and does not only affect NRS-RA Resources. SDG&E believes that the new system should be technologically robust and integrated with other CAISO systems to allow for data transfer, for example with SLIC, RAAM and SIBR. SDG&E strongly supports the development of an API to enable market participants to automate future workload and integrate within their current processes. 2. The CAISO has “noted that this hourly capability will not alter the current annual and monthly compliance standards “(pg 5). SDG&E strongly urges the CAISO to work with the CPUC to design a system that <i>would</i> alter the current annual and monthly processes, by developing a system that can enable hourly RA compliance in order to improve market efficiency and reduce administrative burden. SDG&E also believes that moving to an hourly compliance would resolve the outage counting discrepancy between the CPUC and CAISO methodologies 	<ol style="list-style-type: none"> 1. In regards to “this proposed section has a wide ranging scope and does not only affect NRS-RA Resources” agreed and noted. API shall be slated for a later phase. 2. Existing issue. Noted.
6	<i>BRS- Monthly and Annual RA External User Interface</i>	<i>Randy Nicholson, San Diego Gas & Electric</i>	<p>BRQ034-37: <i>System shall validate SC submitted annual/monthly Supply/RA Plan data for data type correctness automatically upon file submission.</i></p> <p><i>System must provide SCs with status information (pass/error details) regarding their annual/monthly Supply/RA Plan submissions.</i></p> <p><i>System shall provide ISO staff with the ability to view all annual/monthly Supply/RA Plan data for all SCs.</i></p>	Noted and agreed.

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			<p>System must provide ISO staff with the ability to download annual/monthly Supply/RA Plan data for all SCs.</p> <p><u>Comment:</u> If the form of electronic submission of the RA Plans is xls orxlsx, any changes to the existing spreadsheet should be coordinated with the CPUC so that LSEs do not need to create two separate RA Plan filings, one for the CPUC and one for the CAISO interface.</p>	
7	BRS- Monthly and Annual RA External User Interface	Randy Nicholson, San Diego Gas & Electric	<p>BRQ040: System must ensure compatibility with both "xls" and "xlsx" Microsoft Excel formats.</p> <p><u>Comment:</u></p> <ol style="list-style-type: none"> 1. SDG&E supports compatibility with csv and xml formats. 2. SDG&E proposes the new system include an interface for SCs to nominate resources under contract but not submitted for RA. As the CAISO knows well, SCP allows for unit substitution. This interface section would help notify the CAISO during both the annual and monthly processes with a list of resources under contract but not for RA. The system could also interface with RAAM to let SCs know which resources are non-RA so that SCs can easily contract for unit substitution. 3. CAISO should also consider expanding this system to allow SCs to upload other useful templates such as Use Limited Resources or SCP I and II Grandfathering Update Templates. SDG&E strongly suggest taking this section to a new stakeholder process so that the scope can be expanded to develop a more useful tool. 	<ol style="list-style-type: none"> 1. Not currently in scope, but noted. 2. Not currently in scope, but noted. 3. Not currently in scope, agreed and noted.
8	BRS- Considerations for Standard	Randy Nicholson, San Diego Gas & Electric	<p>BRQ046: A resource shall be deemed less than 100% available in a given month if it has reported outages or derates that impact the availability of the resource during the availability assessment hours of that month. Business Rule: Existing business rule.</p>	Please refer to Appendix C of the Generated Bids and Outage Reporting for NRS-RA Resources Business Requirements

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	Capacity Product (SCP)	Electric	<u>Comment:</u> Section 4.4 mentioned transmission outages measured as NRS-RA unavailability. Please clarify if that is true. For internal resources, transmission outages are not counted.	Specification document version 1.1 for clarification.
9	BRS- Considerations for Standard Capacity Product (SCP)	Randy Nicholson, San Diego Gas & Electric	<p>BRQ047-48: The ISO shall apply the same availability standard to NRS-RA resources as is applied to internal RA capacity. The ISO shall collect three years of data starting in 2012 in order to tailor an availability standard specifically for NRS-RA resources.</p> <p>The ISO shall maintain two distinct categories of SCP revenues for internal generators and NRS-RA resources.</p> <p><i>Business Rule: Existing Rule</i></p> <p><u>Comment:</u> Availability standards and SCP revenue allocations for NSR-RA resources should be equivalent to internal generators.</p>	Agreed and will implement as such.
10	BRS- Considerations for Standard Capacity Product (SCP)	Randy Nicholson, San Diego Gas & Electric	<p>BRQ052: ISO systems shall only use contracted hours within the availability assessment hours as the basis for calculating the SCP availability.</p> <p><i>Business Rule: SCP availability assessment hours for which RA resources with subset-of-hours contracts do not have a contractual obligation to provide RA should not be factored into the subsequent year's SCP availability standard as "non-performance" hours.</i></p> <p><u>Comment:</u> NRS-RA Resources with a subset of hours contracts that do not meet the assessment hours should not be allowed to be included as an RA resource.</p>	Our current policy classifies NRS-RA resources as RA regardless of the hours. Since the contract is not covering the assessment hours, it is not subject to charges/payments.
11	BRS- Market Monitoring and Reporting	Randy Nicholson, San Diego Gas & Electric	BRQ054: The ISO shall cross check information against the RA showing (RA Plans vs. Supply Plans) submitted by the LSE, and any discrepancy could trigger review of the contract.	Appropriate data validation shall be documented in BPM or operating procedure.

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		<i>Electric</i>	<p><u>Comment:</u> The CAISO should only cross check whether or not the supply plan is less or equal to the maximum NQC and what is listed on the LSE’s RA Plan. If the Supply plan NQC is greater than the Maximum NQC, or if the LSE listed on the Supply Plan differs from the RA Plan, then validation should fail.</p>	
12	<i>BRS- Market Monitoring and Reporting</i>	<i>Randy Nicholson, San Diego Gas & Electric</i>	<p><i>BRQ055:</i> <i>Develop Monthly and Annual reports or queries for each Load-Serving Entity (LSE) individually and all LSEs in total. The ISO shall monitor the type and amount of RA capacity in the Maximum Cumulative Capacity (MCC) Bucket categories.¹ Enable the preparation of reports as shown in Table 2 below per MCC definitions shown in Table 1.</i></p> <p><i>See Table 1: The Maximum Cumulative Capacity (MCC) Bucket Definitions. Staff must have the ability to modify the reports or queries to reflect policy changes. For example, the number and ranges of the MCC Buckets may change over time.</i></p> <p><i>See Table 2: Sample Monthly and Annual Report Format for Each LSE Individually and All LSEs in Total: Resource Portfolio Categorization by Maximum Cumulative Capacity (MCC) Bucket.</i></p> <p><i>Business Rule: This report should be produced on a monthly.</i></p> <p><u>Comment:</u> The MCC buckets are not a requirement of the CAISO but the CPUC. The CPUC already validates this so it is not necessary for the CAISO to have this requirement. The CAISO has its own method to track use limited resources. Going to an hourly supply plan or RA requirement would explicitly track conformance with the MCC buckets the CPUC requires.</p>	<i>This is purely an ISO monitoring function.</i>

¹ For background information on the MCC Buckets, see the CPUC Energy Division *2011 Filing Guide for System and Local Resource Adequacy (RA) Compliance Filings Issued August 20, 2010*. See also D.09-06-028, http://docs.cpuc.ca.gov/PUBLISHED/FINAL_DECISION/102755.htm