Southern California Edison's (SCE) Comments on

CAISO's Ancillary Services Focus Group 3

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Southern California Edison (SCE) continues to express reservations about the changes to the ancillary services testing and certification regime proposed by the California Independent System Operator (CAISO), but appreciates the CAISO electing to pursue changes to the Business Process Manual (BPM) through the formal Proposed Revision Requests (PRRs) process, rather than through informal Focus Groups and changes to Operational Procedures. Utilizing the BPM process is more appropriate and provides additional rigor and transparency, and will allow for more complete involvement, feedback, and consensus from a larger number of market participants.

SCE believes that CAISO's shift from requiring attestations to issuing data requests is an improvement over the previous proposal. The new proposal partially addresses the concerns previously raised about the legal, administrative and operational burdens and risks that attestation requirements would impose on all market participants. However, to avoid placing an undue burden on those resources that are actively providing ancillary services (AS) and meeting performance requirements, SCE encourages CAISO to develop a more targeted approach that only requests data from resources for which CAISO has been unable to test or verify AS performance for more than 4 years.

Recommendations for BPM Language – Clarify Applicability

SCE recommends that CAISO include language in the Business Process Manuals (BPMs) to clarify the intent and scope of the new data request proposal. CAISO should specifically state in the BPM that data requests for this new process will only be utilized for resources that CAISO cannot verify AS performance due to inadequate data retrieved from the market and/or lack of AS participation in the market within the past 4 years.

This additional language will assure market participants that this new requirement is targeted at only a few market participants that CAISO is unable to verify within a reasonable timeframe and is not a new requirement for all market participants.

Request for Clarification on Data Requests

SCE also requests that CAISO provide more detailed information on the type of data that will be requested from market participants under the new data request proposal. It is important to ensure that there is a legitimate need for the information to be reviewed and that it does not become unduly burdensome for participants, i.e., that the data requested is not redundant and does not duplicate information that CAISO already

possesses, or which CAISO has equal ability to access. SCE notes that CAISO has complete data on all resources and already possesses the ability to search its own data for unit performance information which would inform the CAISO on a resource's ability to perform while carrying an ancillary service award. In addition, some data may not be available to Resource Owners or Scheduling Coordinators absent CAISO conducting an actual test or providing certain inputs or parameters. CAISO should not request any data from a scheduling coordinator or market participant that it already possesses or can access on its own.