

Stakeholder Comments

Pay for Performance Regulation Year 1 Design Changes Issue Paper and Straw Proposal

Submitted by	Company	Date Submitted
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The following are Southern California Edison's (SCE) comments on the California Independent System Operator's (CAISO) September 3, 2014, Issue Paper and Straw Proposal¹. Full understanding of the implications of the proposal are only possible if the CAISO runs the proposed weighted average accuracy metric on historic data and recalculates the performances it presents in Table 1². The proposed MW weighted accuracy measure and the proposed lowering of the threshold to 25% can only be gauged if the CAISO presents historic data analysis of the weighted accuracy measure to determine that it comports with the 25% threshold.

SCE further requests that the CAISO provide the formula used to calculate the accuracy metric. As CAISO states on page 6 of the proposal, the intent of the minimum threshold is to provide "another mechanism to incentivize sustained accuracy improvements over time". It would greatly help generators to diagnose accuracy issues if they understand the calculation along with the inputs used.

Last year, the CAISO was working with generators to investigate why generator performance was low. One assumption was that the data used in the accuracy calculation was of poor quality. During those discussions, a CAISO engineer³ pointed out that an AGC set point may be different than the actual dispatch target for the resource. The engineer explained that the CAISO intentionally sends a set point that is greater than the dispatch target in order to get the resource to move to CAISO's desired dispatch target. SCE requests the CAISO elaborate on why such a practice is needed, and how this practice may influence the accuracy calculation. SCE was told that the CAISO intends to continue assessing generator performance at a later time. SCE requests the CAISO elaborate on when it intends to reengage these efforts.

¹ http://www.caiso.com/Documents/IssuePaper-StrawProposal_PayForPerformanceRegulation-YearOneDesignChanges.pdf

² Page 6. Ibid.

³ Sirajul Chowdhury