

Southern California Edison

Stakeholder Comments

RSI 2 Comments

| Submitted by | Company | Date Submitted |
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SCE appreciates the opportunity to comment on CAISO’s Reliability Services Initiative – Phase 2. SCE offers recommendations on four of the topics below.

CAISO needs to address the differences between CAISO and LRA requirements as part of the proposed LRA and ISO process alignment

As part of the initiative to align processes between the ISO and LRAs, the ISO should compile and publish all the differences between the ISO’s and LRA’s RA requirements. For example, the CPUC allows 6x16 resources¹ to count as RA. However, if a 6x16 resource goes on outage outside of the 6x16 timeframe, the ISO will require a replacement resource for these hours. In other words, the ISO requires replacement during hours where the original resource was not anticipated to be available. While SCE does not expect these differences to be resolved in this proceeding, compiling and publishing this data is a necessary step for process alignment. This list would allow LSEs to know about and appropriately manage the differences between ISO and LRA rules. It will also identify differences in rules that need to be resolved in order to allow for true process alignment.

SCE supports exploring the development of new Planned and Forced Outage Local Capacity Substitution rules and offers a potential solution

SCE agrees with the CAISO statement at the 8/26/2015 workshop that any changes to the replacement and substitution rules for Local RA resources should not make any market participant worse off than they are under the current rules. Changes to the rules should only result in improvements for market participants. SCE offers a potential rule set that may achieve this goal. While SCE offers this potential rule change, SCE has not fully vetted the proposal and has not yet determined if it satisfies the criteria stated above. For that reason, SCE proposes the following for discussion purposes only:

Potential Replacement Rules for Local Resources Shown Only as System RA

- 1) ISO studies Local RA compliance using all local resources shown (even if a resource was not shown for Local).

¹ A 6x16 resource is one that is only available 6 days a week for 16 hours a day

2) If a local resource that was not shown as local goes on outage, the ISO allows replacement using a system resource.

3a) If the resource is not needed for local capacity, the replacement process is complete.

3b) If the resource is needed for local capacity, the ISO issues a local RA deficiency. The deficiency process would be the same as it is during the month ahead showing process, except with a smaller timeframe to cure the deficiency. That is, LSEs in the local area will have an opportunity to show more resources to cure the deficiency. If the deficiency cannot be cured, the ISO has authority to backstop and allocate costs to LSEs in the local area.

This proposal creates standardized rules for local RA substitution. The ISO determines if there is a deficiency using the same criteria as the month ahead showing process and, in the case of a deficiency, uses the same month ahead cure process to resolve the deficiency. This proposal puts less risk on local resources that only need to be shown as a system resource which should create more incentive for local resources to be shown when they are not needed for local.

While not ready to fully support this proposal, SCE believes it is worth further discussion and requests it be added to the list of potential solutions.

Masterfile changes that will results in EFC changes and RA AIM penalties should be outlined and well defined

SCE agrees with the motivation behind the ISOs proposal regarding Masterfile updates for resources starts. However, SCE is not sure how the RA AIM penalty will be applied to Flexible RA resources when they change Masterfile data that is not their starts per day or starts per month but still affects their EFC. SCE requests the CAISO outline all Masterfile changes that will result in a resource being charged an RA AIM penalty until a substitution is made.

The CAISO's proposal for Combination Flexible Capacity Resources should not restrict the ability to use combined resources

The current proposal to only allow one exception per LSE for a combined resources should be removed. Given the increasing need to rely on use limited resources, new RA AIM penalties should not limit the ability to use combined resources. SCE is not aware of any reasons why each LSE should only be allowed one combination at this time.

The combined resources RA AIM rules should also allow for any type of resource combination that is allowed in the current tariff language. SCE is not sure if the framework proposed by CAISO in the 8/26/15 presentation could be applied to all types of resource combinations. For example, this framework may work for two resources with 30 starts per month that are combined, but it would likely not work for two resources with one start per day that are combined. Both combinations should result in a Base Flex RA resource but the RA AIM penalty will likely not allow for the second combination. To verify that the rules allow for all types of resource combinations, SCE requests that the ISO outline how the new rules will be applied to all permitted combinations.