

Stakeholder Comments Template

Submitted by	Company	Date Submitted
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Please use this template to provide your written comments on the stakeholder initiative “Temporary Shutdown of Resource Operations.”

Submit comments to InitiativeComments@CAISO.com

Comments are due July 13, 2017 by 5:00pm

The Straw Proposal posted on June 21, 2017 and the presentations discussed during the June 28, 2017 stakeholder conference call can be found on the [TSRO Website](#).

Please use this template to provide your written comments on the straw proposal topics listed below and any additional comments that you wish to provide.

1. Who is eligible?

Comments:

SCE agrees that only Non-RA and Non-RMR resources should be eligible for temporary shutdown. SCE agrees with stakeholder comments during the conference call that RA contracts may be for specific months and not encompass the entire year. Therefore, a resource that is requesting temporary shutdown should be eligible if in the months of shutdown, it has not sold RA capacity.

In order to properly evaluate whether a resource is under contract to an LSE, the CAISO should require the resource to attest that it does not have an agreement and should it enter into one during any period of denied shutdown will notify the CAISO. In this latter case, the CAISO would then cease any payments to the resource. Finally, after the term of the shutdown or

denied shutdown has expired, the CAISO should perform an audit to ensure that the resource was not under contract. This audit could include public release of the identity of the resource such that LSEs can review to determine if a contract did indeed exist. If it is determined during this audit that the resource did have an RA contract, any payments due to a denial of shutdown should be collected from the generator by the CAISO.

2. Whether the CAISO may allow a Participating Generator to temporarily shut down operation of its Generating Unit for economic reasons.

Comments:

SCE agrees with the proposal.

3. The conditions under which the CAISO may grant a request for temporary shutdown.

Comments:

SCE agrees with the proposal. Further, SCE agrees with concerns expressed by stakeholders during the call on this topic. Some stakeholders expressed concern that a denial appears to create a reliability requirement that had not been previously considered. SCE agrees with this concern and believes that the RA program should be closely examined to determine if it is adequately defined. SCE believes that an adequately defined RA program would rarely result in a denial of a request for a temporary shutdown.

SCE notes that the recent change to the counting of renewable resources (i.e. moving from exceedance to ELCC) should more appropriately count the ability of resources to meet reliability needs. The net result of ELCC is a reduction in the amount of MWs that count for RA. The result will be a showing of more non-renewable resources. As such, the CAISO should find themselves with sufficient resources to operate the grid and the denial of a temporary shutdown request should be very rare.

4. Reliability Studies.

Comments:

See comments in Section 3 above.

5. The form of compensation, if any, that the CAISO would provide the Participating Generator if the CAISO denies the Participating Generator's request to take the Generating Unit out of service for a temporary shutdown.

Comments:

SCE has the same concern with this proposal as it did for the Risk of Retirement CPM. That is, this proposal can serve as a form of price discovery. If a resource does not have an RA contract, there is little harm in applying for temporary shutdown with the potential upside of picking up a CPM payment at the price cap. If a resource can establish a pattern of need by doing this, there will be little incentive for the resource to enter into an RA agreement at a price below the CPM soft offer cap. The CAISO resolved this issue in the Risk of Retirement proposal by requiring the bid to be subject to a cost of service review by FERC. SCE believes the same process should be followed here.

6. The CAISO may want to establish a limit on the minimum amount of time that a Generating Unit can shut down its operations, and perhaps a maximum amount of time.

Comments:

SCE asks that the CAISO clarify that the minimum time for shutdown is binding upon notification of approval of the shutdown from the CAISO. If a resource can withdraw its request after acceptance from the CAISO but prior to the start of the shutdown, this would create a free option for resources to attempt to obtain a CPM payment if the CAISO denies the outage with no risk of lost revenues from energy sales if they can revoke the request if it is determined that they are not needed.

7. The CAISO will need to establish a specific timeline for requesting shutdown of operations allowing for appropriate operations planning time and notification of approval and denial.

Comments:

SCE generally agrees with the planning timeline and notification of approval or denial. SCE does prefer that there be some form of processing window such that some form of competition can occur. If the CAISO utilizes the CPM bid (even if subject to cost verification by FERC), then utilizing a window could allow for resources to serve any need under a denial of request on an economic basis.

8. Is there a level of “return-ability” that would need to be maintained while the Generating Unit is in shutdown status?

Comments:

SCE supports this provision of the proposal.

9. If a Participating Generator has temporarily shut down operations of its Generating Unit, would it be eligible to be used as a RA resource in a RA showing for that period?

Comments:

SCE supports this provision of the proposal.

10. If a Generating Unit has shut down operations in one BAA and is now operating in an adjacent BAA, would it be eligible to be counted as a RA resource in the BAA for which it has shut down its operations?

Comments:

SCE supports this provision of the proposal.

11. Other Comments

Please provide any additional comments not associated with the topics listed above.

Comments:

[\[Insert comments here\]](#)