

Stakeholder Comments

SCE Comments on Commitment Cost Enhancements Phase 3 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) August 24, 2015, Straw proposal¹.

SCE supports the CAISO’s Straw proposal and recommends that the CAISO provide an empirical walkthrough as well as have a six-month offline run prior to any implementation

SCE finds the CAISO’s proposal to be consistent with and reflect the position of the CAISO from the technical workshop². Further, the CAISO incorporated stakeholder comments, such as the use of easily integrated software that would allow frequent runs of the opportunity cost model, monthly scheduled runs, allowing SCs to translate limitations to enable their modeling, allowing the negotiated opportunity cost option, among others. SCE thanks the CAISO for working with stakeholders in further developing their proposal.

The initiative can benefit from the CAISO executing dry runs on their opportunity cost model with actual historic market data to get indicative results. The review of the outcome of such an exercise will help stakeholders in understanding the model constraints and parameters, as well as provide the CAISO insight toward potential areas that need attention. Finally, SCE urges the CAISO to execute the model in a six-month offline run prior to any implementation. This would minimize the potential for errors and unforeseen issues with the implementation.

¹ http://www.aiso.com/Documents/StrawProposal_CommitmentCostEnhancements-Phase3.pdf

² http://www.aiso.com/Documents/Agenda-presentation_CommitmentCostEnhancementsPhase3-TechnicalWorkshop_Jul20_2015.pdf