

## Stakeholder Comments

### Frequency Response Draft Final proposal

Submitted by	Company	Date Submitted
Aditya Chauhan – (626) 302-3764	Southern California Edison	February 23, 2016

The following are Southern California Edison’s (SCE) comments on the California Independent System Operator’s (CAISO) February 4, 2016 Draft Final<sup>1</sup>.

**The CAISO proposal to treat all DA operating reserves as contingency-only can lead to uneconomic solutions and RTM price spikes under tight supply conditions**

Reiterating SCE’s prior comments<sup>2</sup>, the CAISO proposal could result in higher market costs. To the extent that designating operating reserves as contingent-only can be demonstrated to provide FR benefit, the CAISO should apply this only to hours with PFR deficiencies.

**The CAISO should monitor system conditions to determine if their short-term proposals address FR needs**

SCE cautions against any hastening to move toward the long-term proposals of a constraint or product. The CAISO should allow sufficient time for the results of the short-term proposals to be realized before moving further toward determining the need for a constraint or a product. Should the short-term proposals adequately address the FR need, there would be no justification toward a constraint or product.

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<sup>1</sup> [http://www.caiso.com/Documents/DraftFinalProposal\\_FrequencyResponse.pdf](http://www.caiso.com/Documents/DraftFinalProposal_FrequencyResponse.pdf)

<sup>2</sup> <http://www.caiso.com/Documents/SCECommentsFrequencyResponseStrawProposal.pdf>