

## **Stakeholder Comments**

### **Pay for Performance Regulation Year 1 Design Changes Draft Final Proposal**

<b>Submitted by</b>	<b>Company</b>	<b>Date Submitted</b>
Aditya Chauhan – (626) 302-3764	Southern California Edison	October 10, 2014

The following are Southern California Edison's (SCE) comments on the California Independent System Operator's (CAISO) September 26, 2014, Draft Final Proposal<sup>1</sup>.

#### **SCE supports the CAISO proposal**

Table 1 on page 6 of the proposal indicates that the proposed weighted average measure is preferable to the existing simple average. Further, SCE understands that threshold measure merely qualifies/disqualifies a resource from providing Regulation. Hence, the 25% reduction in threshold should adequately prevent the CAISO from losing access to its Regulation fleet. SCE asks the CAISO,

1. Whether resources with higher accuracy measures are indeed being compensated better (accounting for actual MW provided)?
2. Is the accuracy metric incentivizing resources to more accurately provide Regulation to the CAISO?

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