

Bid Cost Recovery Enhancements

Submitted by	Company	Date Submitted
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San Diego Gas & Electric (“SDG&E”) offers the following comments on the CAISO’s *Bid Cost Recovery Enhancements* dated June 21, 2016.

Two-tier real-time uplift charge allocation

SDG&E appreciates the CAISO’s attempt to identify the drivers of Real Time Bid Cost Recovery (RT BCR). We would like to see further analysis or studies on the proposed three allocation categories, Load, Supply or Interties, specifically what the percentages of total uplift cost allocation would be. Since the Flexible Ramping Product (FRP) is likely to further reduce RT BCR uplift costs it makes sense to not make any changes to the uplift allocations until we can assess the impact from FRP.

BCR for units operating across 24-hour periods

SDG&E agrees with the CAISO’s assessment that the potential benefits are minimal compared to the costs.

IFM Tier 1 uplift cost allocation modification

SDG&E is in favor of a proposal to reduce the IFM Tier 1 uplift costs based on IFM self schedules. However, the Unit Commitment Trades (UCT) should continue to offset the IFM Tier 1 uplift costs as they do now. The IFM Tier 1 uplift cost allocation needs further investigation.