

SDG&E Comments – As requested by the CAISO re: issues raised and briefly discussed at the 10/24/2008 IRRP meeting in Folsom.

Stakeholder Comment Template	
CAISO Integration of Renewable Resources (IRRP)	
October 24, 2008 Stakeholder Meeting	
Organization: San Diego Gas & Electric (SDG&E)	Date Submitted: Nov 7, 2008
Organization Representative: Patrick Charles	Contact Number: 858 637 7909
Industry Segment: Investor Owned Utility	
<p>Instructions: The CAISO is requesting written comments on information discussed at the Integration of Renewable Resources Program (IRRP) stakeholder meeting held on October 24, 2008. This template is offered as a guide for entities to submit comments.</p> <p>All documents related to the CAISO's IRRP Program Plan are posted on the CAISO Website at the following link: http://www.caiso.com/1c51/1c51c7946a480.html</p> <p>Upon completion of this template please submit (in MS Word) to Jim Blatchford at jblatchford@caiso.com. Submissions are requested by close of business on Friday November 7, 2008.</p>	
<p><i>The IRRP effort is currently divided into two components – 20% RPS and 33% RPS. Each of these components will assess operational and infrastructure needs, which will then drive solutions that will fall with four categories: (1) infrastructure additions, (2) internal operational tools, (3) market products, and (4) regulatory modifications. Many of the tasks identified are consistent with the specific projects included in the IRRP High-Level Plan published in May 2008. Please comment on whether those tasks, as discussed at the stakeholder meeting, are appropriate and whether other projects should be included as part of the IRRP.</i></p> <p>SDG&E is supportive of the tasks identified in the April, 2008 'IRRP High Level Program Plan' and as discussed at the October 24th stakeholder meeting.</p> <p>In addition, SDG&E would recommend that either within the resource-adequacy program or as part of the IRRP that the CAISO (and perhaps CPUC) examine the physical and financial values associated with attributes related to load following and up/down regulation. Those requirements are not reflected in the NQC values under the resource-adequacy program nor under the RPS program as we add resources, but there are costs that tend to escalate on a per MWH basis as incremental sources are added.</p> <ul style="list-style-type: none">▪ <i>Please indicate whether you believe such tasks should be included for 20% RPS or beyond 20% RPS.</i>▪ <i>If included in the 20% component, please provide a proposed schedule that would ensure the results of the task could impact meeting the 20% RPS goal by the start of 2012.</i> <p>SDG&E believes that is important to examine both the 20%RPS and 33%RPS cases, since the AB32</p>	

Proposed Scoping Plan includes a 33% RPS. Further, SDG&E notes that current law requires the IOUs to achieve a 20% RPS by 2010, not the start of 2012 which is the goal identified above for this process. In order to assure that no problems arise, SDG&E would place emphasis on task 7 (scheduling/managing imports and exports of renewables), 8 (impact on resource adequacy), 10 (changes to PIRP – specifically the integration of solar resources into the PIRP) and 13 (implement necessary changes to CAISO's transmission planning process and studies).

There are many renewable activities occurring in California and various areas across the country. Please list those studies or activities that you believe have merit that may serve as an appropriate model or otherwise assist the CAISO in conducting the IRRP. If ongoing, please indicate how such activities may be coordinated with the IRRP.

SDG&E has no studies or activities to point out to the CAISO that the CAISO is not already aware of at this time.

In response to the IRRP High-Level Plan, the Market Initiatives Roadmap, and the storage White Paper, several parties have indicated a strong interest in market product development to address aspects of renewable integration. To assist IRRP in prioritizing and coordinating its role in market development, please indicate your perspective on

- ***the effect of MRTU market design and planned enhancements (MAP) on renewable integration;***
- ***any changes to the Roadmap based on consideration of renewable integration;***
- ***which new market products, if any, are needed to stimulate needed capabilities;***
- ***market aspects of interdependencies with other market and policy developments (e.g., once through cooling, long-term RA, greenhouse gas regulations); and***
- ***market design lessons being learned in other ISOs/RTOs or other countries that are relevant to the California market context.***

With regard to market product development and the integration of renewables, SDG&E is concerned that there is no provision for (potentially) thousands of MWs of wind renewables to show up in the Integrated Forward Market (IFM) unless they are scheduled in the Day Ahead. Compliance with PIRP requires scheduling in HASP. Scheduling in both Day Ahead and HASP is a burden on market participants, and SDG&E would caution that many who are SCs for PIRP wind units may therefore not schedule in the Day Ahead. SDG&E is not aware that CAISO has provided any guidance or expressed concern that wind MWs will be not be counted in the IFM.

In response to comments on the IRRP High-Level Plan, several parties supported the creation of working groups. The CAISO proposes to create the following working groups to act as technical forums to assist the CAISO: Storage, Forecasting and PIRP, Needs Assessment Studies and Research, and Market Products.

- ***Please indicate whether you support the creation of such groups and whether your company would be willing to participate.***

SDG&E is supportive of the creation of the four working groups listed and would participate in each.

- ***Are there other working groups that should be created?***

SDG&E does not suggest the creation of other working groups in addition to those listed.

- ***Should there be limits on participation to those with appropriate technical backgrounds?***

SDG&E would suggest not limiting participation, but would encourage the members to provide background information at the outset of work so as to orient the team appropriately.

- ***Describe the role the working groups should play in the IRRP.***

SDG&E would suggest that the working groups play an advisory role.