

Subject: Straw Proposal Standard Capacity Product II

The CAISO is requesting written comments on the Straw Proposal Standard Capacity product II that was published on the ISO website and discussed at the January 26, 2010 stakeholder meeting.

Submitted by	Company	Date Submitted
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4.2. Modification of SCP Availability Metric for Non-Resource Specific System Resources that Provide RA Capacity

SDG&E plans to file comments in the “Generated Bids and Outage Reporting for NRS-RA Resources” stakeholder proceeding which should be incorporated into this proceeding.

4.3. Elimination of the CPUC’s “Replacement Rule”

In response to the suggestion to eliminate the CPUC’s replacement rule, CAISO has proposed that when an RA resource intends to take a planned outage in a particular month, the supplier will indicate the details of the intended outage in its supply plan submitted to the ISO and put a request into SLIC for a planned outage. Under this proposal, the supplier will have the opportunity to replace the RA resource during the planned outage period with a non-RA resource in accordance with the same substitution rules already approved for unit substitution under SCP.

SDG&E is concerned with the logistics and timing of implementation. When the supplier submits a request for a planned outage, what is the last day the replacement capacity can be submitted? If there are multiple planned outages, how will the Interim Capacity Procurement Mechanism (ICPM) charge be allocated? SDG&E recommends that CAISO clarify that before it charges the ICPM, it will make every effort to reschedule the planned outage and that it will inform the supplier that they will need to provide replacement power or be charged the ICPM, in the event CAISO is unable to reschedule the planned outage.

SDG&E asks CAISO to clarify the buyer’s obligation. Since CAISO’s proposal would remove the obligation for replacement capacity, SDG&E does not believe that the buyer should have to submit replacement capacity information to the CPUC in its monthly compliance filing. SDG&E recommends that the resource substitution be reported as part of the Resource Adequacy Availability Management tool and not as an updated supply plan.

4. Clarifications to Existing SCP Tariff Provisions - Section 40.9.6.3 – Availability Incentive Payment

CAISO is proposing to change the wording “credited against the Real-Time neutrality charge for that Trade Month in accordance with Section 11.5.2.3” to read “credited against the Real-Time neutrality charge to metered CAISO Demand for that Trade Month” and clarify Section 40.9.6.3 of the tariff that describes the methodology for determining the eligibility of RA Resources to receive an availability incentive payment. The original language of Section 11.5.2.3 would limit the allocation of these funds to metered CAISO Demand that is scheduled at one of the three Default LAPs. CAISO wants to allocate these funds to all metered CAISO Demand, irrespective

of whether it is scheduled at a Default LAP or at another internal location. SDG&E wants the CAISO to clarify whether the proposed change would include custom or “C_Laps.”