

## Stakeholder Comments Template

| Submitted by   | Company   | Date Submitted  |
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Please use this template to provide your written comments on the stakeholder initiative “Temporary Shutdown of Resource Operations.”

Submit comments to [InitiativeComments@CAISO.com](mailto:InitiativeComments@CAISO.com)

**Comments are due October 3, 2017 by 5:00pm**

The Draft Final Proposal posted on September 6, 2017 and the presentations discussed during the September 13, 2017 stakeholder conference call can be found on the [TSRO Website](#).

Please use this template to provide your written comments on the Draft Final Proposal and any additional comments that you wish to provide.

1. Please indicate whether you support the Draft Final Proposal.

**Six Cities' Comments:**

The Six Cities support most elements of the Draft Final Proposal. Specifically, the Six Cities support the ISO's proposals:

- a) To allow temporary shutdown of resources that are not subject to any RA, CPM, or RMR obligations for non-physical reasons so long as the resources are not needed for reliability during the shut-down period;
- b) To require a resource that has requested and been granted permission for a temporary shutdown to implement the shutdown;

- c) To require resources that are denied permission to implement a temporary shutdown to accept a CPM designation and to compensate such resources based on bids submitted into the CPM Competitive Solicitation Process, subject to the clarification requested in Item 2 a) below;
- d) To allow resources to request multiple or sequential shutdown periods, subject to a requirement that a resource that is shut down for a continuous one-year period return to operation at the end of that one-year period or enter into the retirement process; and
- e) To provide credit toward RA requirements to LSEs responsible for paying CPM costs for temporary shutdowns exceeding one month.

2. Please provide any additional comments.

**Six Cities' Comments:**

The Six Cities have concerns, questions, or requests for clarification with respect to the following aspects of the Draft Final Proposal:

- a) With respect to the ISO's proposal to pay a resource that is denied permission for a temporary shutdown based on the resource's bids into the CSP, the ISO should clarify that any bid greater than the CPM soft cap price must be submitted to and approved by FERC, consistent with the CPM tariff provisions.
- b) There is a potential for unjustified payments arising from the one-month maximum shutdown period during the May through October period and the ISO's proposal to provide CPM payments for a minimum of two months to resources that are denied permission to shut down operation for non-system reasons. Consider, for example, a situation where a resource submits requests to shut down operations for May and June, and the request to shut down in May is denied for non-system reasons, but the request to shut down in June is granted. Under the ISO's proposal, the ISO would make CPM payments for May and June, but the resource would be required to shut down in June. The ISO should clarify that a resource may not receive CPM payments for any month in which it is shut down. Under the circumstances described in the example, the resource should have the option to choose between shutting down for the second month and not receiving any CPM payments for that month or remaining in operation and receiving the second month of CPM payments.
- c) The Six Cities are concerned with the potential for unreasonable outcomes resulting from the interplay between the proposed maximum shutdown period of four months and the ISO's proposal to provide CPM payments for the entire requested shutdown period if the reliability assessment concludes that a resource is needed for any month during the requested shutdown period. At a minimum, the ISO should review at the end of each of the first three years after implementation of the temporary shutdown

provisions the extent to which CPM payments have been made to resources for months during which those resources were not needed for reliability and, if necessary, revise the temporary shutdown rules to minimize payments to resources that are not needed.

- d) The Six Cities cannot support the ISO's proposal to pay an "adder" to resources that are asked to return from shutdown status prior to the end of an approved shutdown period without further detail as to the nature of the costs eligible to be included in such an adder and the process for documenting and verifying the components of any such adder.
- e) Although the Six Cities support the ISO's proposal to require a resource for which a temporary shutdown request is granted to implement the shutdown, it is not clear that it is beneficial to the grid or the markets to compel the resource to remain in shutdown status for the entire period requested and approved. It would seem sufficient to prevent gaming of the temporary shutdown process to require a resource to shut down for the greater of one month or half the time period covered by an approved shutdown request.