

Stakeholder Process: Regulatory Must Take

Summary of Submitted Comments

Stakeholders submitted four rounds of written comments to the ISO on the following dates:

- Round One, 01/13/2011
- Round Two, 02/14/2011
- Round Three, 01/25/2012
- Round Four, 02/14/2012

This matrix summarizes the most recently submitted stakeholder comments.

Stakeholder comments are posted at: <http://www.caiso.com/informed/Pages/StakeholderProcesses/Regulatory-Generation.aspx>

Other stakeholder efforts include:

- Stakeholder Conference Call: December 22, 2010
- Stakeholder Conference Call: February 2, 2011
- Stakeholder Conference Call: January 17, 2012
- Stakeholder Conference Call: February 6, 2012
- Stakeholder Conference Call: March 1, 2012

Management Proposal	Wellhead	IOUs	CHP Parties	CalWEA	IEP	Management Response
<p>Amend "Regulatory Must-Take Generation" Definition to limit QF eligibility to QFs with PURPA contracts but to allow CHP resources to be eligible</p>	<p>Supports</p>	<p>Support a much narrower CHP eligibility limited to CHP resources entering into pro forma contracts established in CPUC global settlement. IOUs express concern that we are expanding the scope of resources eligible for higher scheduling priority thereby reducing flexible capacity.</p>	<p>Supports</p>	<p>ISO proposal fails to deal with other QF resources that have had 100% regulatory must take status such as wind</p>	<p>Supports</p>	<p>ISO believes the IOU's proposed definition is too narrow. The ISO proposal was intended to be generally applicable to CHP resources in order to protect that portion of the capacity that is essentially physically not dispatchable. This concept applies to CHP resources generally. RMTmax qualification should result in low values for CHP resources with minimum host requirements. The ISO's position is that capacity dedicated to an industrial process is effectively non-dispatchable and the ISO is better off operationally to model the capacity as less dispatchable than capacity that is not dedicated to an industrial host. At the same time the ISO is trying to ensure that the capacity not utilized by the host is dispatchable and made available to the ISO markets.</p> <p>With respect to wind resources, the ISO does not propose to continue to allow RMT scheduling priority after termination of PURPA</p>

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						PPAs for QFs that are not CHP resources. In addition, with respect to wind, existing PIRP program applies and existing stakeholder processes exist dedicated to renewables and renewable integration.
“RMTmax” Definition as the amount of capacity needed to meet industrial host requirements	Supports	IOUs appear to support ISO proposal, although language suggest that IOUs might be trying to establish criteria that would result in lower RMTmax values	Supports		Supports	The ISO proposes to establish an upper threshold of RMTmax based on the needs of the industrial host.
Daily hourly RMT schedules should reflect actual requirements even if below RMTmax	Supports	Agrees but supports greater flexibility concerning how capacity is scheduled	Supports but proposes tariff requirement that requires SC to schedule RMT values as directed by the CHP resource.		Supports	The ISO agrees that CHP resources should dictate RMT self-schedule requirements and that the capacity should be scheduled with the self-schedule priority subject to any contractual rights between the CHP resource and the IOU/SC, if any. The capacity not used for higher scheduling priority should be made available to the ISO consistent with resource adequacy must

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						offer obligations. For CHP resources that apply for and qualify as use limited resource adequacy resources, their use limitation plan will dictate availability.
Standard Capacity Product Treatment applies but grandfathered QFs exempted from reporting and penalties	Supports	Does not oppose	Does not oppose		Does not oppose	
Allow CHP resources to apply for Use-Limited Status	Supports	Does not oppose	Supports		Supports	
Establishing the amount of RMT as agreed upon or as determined by a mutually agreed upon engineer		Agrees but asserts that initial value should be zero until amount agreed upon or established per independent engineer.	NOTE: Currently no reaction from CHP parties as IOUs just proposed this			Based on current tariff, RMT status is lost at termination of PURPA contracts. So current tariff default would be zero RMT capacity and new values for RMTmax will not be in effect until the effective date of the tariff amendment. The ISO proposes that once a default value is established, this would be the default value until changed. The ISO proposes that this value be reestablished every year. This means that if there is any dispute, the prior year's

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						value would remain in place during the time period required to engage a third party engineer in case parties fail to agree on the value
Annual establishment of RMTmax values and annual submission of non-binding indicative RMT usage profile		Agree	Propose a three year review		Expressed concerns that unpredictability of annual host requirements	The ISO believes that one year review is reasonable compromise. The ISO also believes it is reasonable to request non-binding information on anticipated yearly scheduling of RMT capacity based on information known or anticipated at the time of submission subject to the understanding that the information is subject to change