



## Stakeholder Comments Template

### Variable Operations and Maintenance Cost Review

This template has been created for submission of stakeholder comments on the Variable Operations and Maintenance Cost Review revised straw proposal. The proposal, stakeholder call presentation, and other information related to this initiative may be found on the initiative webpage at: <http://www.caiso.com/StakeholderProcesses/Variable-operations-maintenance-cost-review>.

Upon completion of this template, please submit it to [initiativecomments@caiso.com](mailto:initiativecomments@caiso.com). Submissions are requested by close of business on **May 26, 2020**.

Submitted by	Organization	Date Submitted
<i>Camille Christen</i>	<i>Idaho Power Company</i>	<i>May 26, 2020</i>

**Please provide your organization's overall position on the Variable Operations and Maintenance Cost Review revised straw proposal:**

- Support
- Support w/ caveats
- Oppose
- Oppose w/ caveats
- No position

**Please provide your organization's comments on the following issues and questions.**

#### 1. Proposal Component A: Establish definitions for the O&M cost components

Please provide your organization's feedback on establishing definitions for the O&M cost components as described in section 4 (page 7). Please explain your rationale and include examples if applicable.

Idaho Power has questions about CAISO's proposal to make all replacements of retirement units ineligible for to be considered for variable maintenance. As stakeholders noted in the May 17, 2020 call, different energy companies may classify retirement units at different levels. One entity might consider the components of a piece of a equipment to be retirement units, while another might consider the larger piece of equipment, such as a whole generating unit, to be a retirement unit. CAISO should consider alternatives to its definition so as to not preclude retirement units that are classified at a more granular level

from being considered as variable maintenance if their replacement is necessary because of increased starts, operating hours, or MWhrs produced due to participation in EIM.

For example, Idaho Power has retirement units where the replacement was or will be driven by increased starts, operating hours, or MWhrs produced. These include:

- SCR Catalyst
- CO Catalyst
- CT blades by row
- CT turbine rotor

The replacement cost of some of these retirement units are included in our negotiated major maintenance cost; however, the replacement cost of some of the smaller retirement units should be captured in variable maintenance. The replacement costs of the smaller retirement units may or may not be capitalized. The fact that a replacement cost corresponds to a retirement unit and the fact that the cost is capitalized does not preclude the cost from being variable with respect to starts, operating hours or MWhrs produced, such that it should be eligible for inclusion in variable maintenance.

Further, the definition of Variable Maintenance Costs should allow for the inclusion of “corrective maintenance”—maintenance costs that are incurred to remedy issues caused by the starting or operation of the unit, but that were not planned. Idaho Power believes the current proposed definition allows for the inclusion of such costs and requests confirmation from CAISO that these costs may be included. Idaho Power considers these to be one-time costs for particular work that is not known to be needed until a maintenance project begins (for example, until the unit is opened up). For example, historical experience has shown that in an overhaul, additional maintenance work that is not specifically planned is typically necessary. Parts wear out and need to be replaced that an operator is not specifically aware of until repairs begin on a unit. Therefore, it is appropriate and prudent to include amounts for such corrective maintenance in the Variable Maintenance Adder when the maintenance is driven by run hours, starts, or MWhrs.

Please provide your organization’s position on establishing definitions for the O&M cost components as described in section 4 (page 7). (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

## **2. Proposal Component B: Refine Variable Operations Adders**

Please provide your organization’s feedback on the ISO’s proposal to refine variable operations adders as described in section 4 (page 12). Please explain your rationale and include examples if applicable.

Please provide your organization's position on the ISO's proposal to refine variable operations adders as described in section 4 (page 12). (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

### **3. Proposal Component C: Calculate Default Maintenance Adders**

Please provide your organization's feedback on calculating default maintenance adders as described in section 4 (page 15) as well as in the supporting calculations posted as a separate file. Please explain your rationale and include examples if applicable.

Please indicate your organization's preference for Option 1 versus Option 2. The ISO particularly wants to understand stakeholders' preferences regarding the balance between making assumptions about unit conversions versus the number of technology groups covered by default maintenance adders. If a different option is preferable, please indicate in detail your organization's preferred option.

If your organization has additional sources of maintenance cost data that it would like the ISO to consider, please provide these sources.

Please provide your organization's position on calculating default maintenance adders as described in section 4 (page 15) as well as in the supporting calculations posted as a separate file. (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

### **4. Implementation of Proposal**

Please provide your organization's feedback on the suggested implementation details described in section 4 (page 24). Please explain your rationale and include examples if applicable.

Please provide your organization's position on the suggested implementation details described in section 4 (page 24). (Please indicate Support, Support with caveats, Oppose, or Oppose with caveats)

### **Additional comments**

Please offer any other feedback your organization would like to provide on the Variable Operations and Maintenance Cost Review revised straw proposal.