

Stakeholder Comments

Aliso Canyon Gas-Electric Coordination Tariff Language

Submitted by	Company	Date Submitted
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Southern California Edison (SCE) presents comments on the California Independent System Operator’s (CAISO) April 29, 2016 Tariff Proposal¹.

Section 27.11 language requires clarification.

“The same MCC used for settlement of Demand, Virtual Bids, or Congestion Revenue Rights is used for the calculation of the Real-Time Congestion Offset pursuant **Section 11.____**. Any non-zero amounts that are attributable to the price differential between the resource’s MCC and the MCC used for settlement of Demand, Virtual Bids, or Congestion Revenue will be allocated through **Section ____**, except that Day-Ahead settlements the difference will be allocated through the Congestion Revenue Rights Balance Account pursuant to **section 11.____**.”

The CAISO should identify the unidentified sections (labeled in bold red) in the language above.

Section 30.11 notification and filing timelines are unnecessarily cumbersome.

The CAISO proposal requires SCs to notify them of intent to file with FERC a claim for any unrecovered unit operating cost within 10 business days of the operating day in which the unrecovered costs were incurred. Further, the CAISO proposal requires SCs to file such claims at FERC within 60 business days. A 10 business day threshold does not allow SCs sufficient time to reasonably determine if costs were recovered through BCR or any other recovery mechanism. The CAISO T+12 settlement statements are the SC’s first opportunity to assess any such impacts. Instead, the CAISO should utilize the regular dispute window as a timeframe for the filings. The related changes in the Bidding Rules Enhancements process did not contemplate significant and persistent problems such as those anticipated by the gas penalty structure as it may be used due to the Aliso Canyon issue.

¹ http://www.caiso.com/Documents/DraftTariffLanguage_AlisoCanyonGas_ElectricCoordination.docx

Section 39.7.1.1.1.3 (c)

SCE suggests that the CAISO should revisit the usefulness and application of the constraint due to either trigger event (return of Aliso Canyon facility to service or FERC Order).

Section 39.7.2.2 suggested language for consistency with final proposal.

The language as currently proposed seems to seek authority to use the natural gas constraint beyond the Aliso Canyon issue (Section 27.11) and is inconsistent with the final proposal.

Therefore the change below is suggested –

“(A) Notwithstanding the provisions below, when the CAISO is enforcing natural gas constraint specified in Section ___ the CAISO may deem selected internal constraints as uncompetitive for specific days or hours based on its determination that actual electric supply conditions may be uncompetitive due to system conditions in Southern California Gas Company and/or ~~and~~ San Diego Gas & Electric Company regions, **or applicable gas regions consistent with the natural gas constraint.**”

The CAISO should provide the DA and RT gas prices to market participants.

The CAISO stated on the May 3, 2016 stakeholder tariff call that it does not intend to make its gas price information available to market participants. Market participants will be unable to validate the CAISO’s gas price index calculations used for the commitment and default energy bid costs if the CAISO does not share this data.