RMR and CPM Enhancements

Revised Straw Proposal

Stakeholder Meeting
September 27, 2018

Keith Johnson
Infrastructure & Regulatory Policy Manager

Agenda

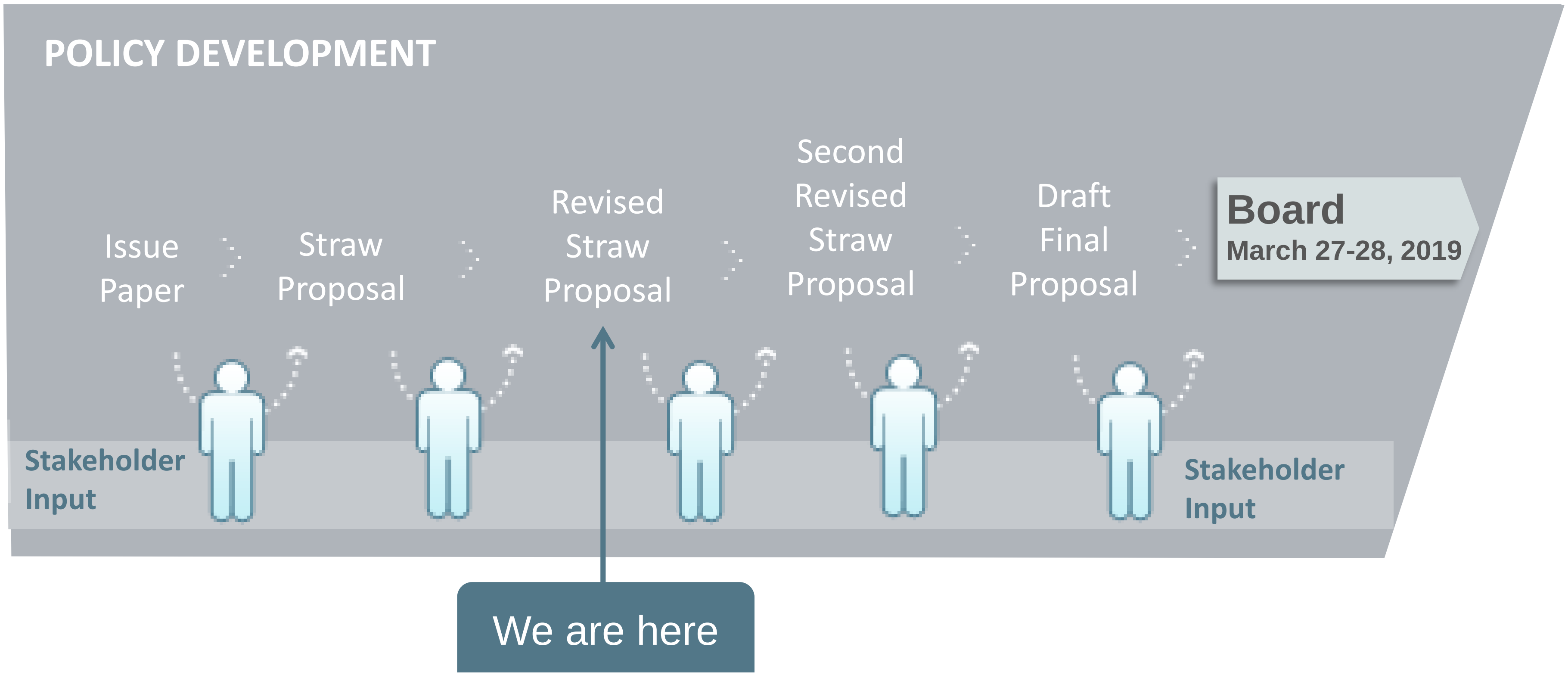
Time	Item	Presenter
10:00-10:10	1. Introduction and stakeholder process	Jody Cross
10:10-10:20	2. Scope of initiative	Keith Johnson
10:20-11:20	3. RMR and CPM Use of RMR versus CPM Merge ROR CPM and RMR into one mechanism	Keith Johnson
11:20-12:00	4. CPM Change pricing formula for price above soft-offer cap	Keith Johnson
12:00-1:00	Lunch break	(on your own)
1:00-3:50	5. RMR Make subject to a MOO Make subject to RAAIM Consider whether Condition 1 and 2 options are needed Update rate of return Align agreement and tariff authority for system and flexible Allocate flexible RA credits Streamline and automate settlement process Lower banking costs	Gabe Murtaugh Keith Johnson Bob Kott Chhanna Hasegawa
3:50-4:00	6. Next steps	Jody Cross

1. INTRODUCTION AND STAKEHOLDER PROCESS

Jody Cross

Stakeholder Engagement & Policy Specialist

Stakeholder Process



Schedule

	Date	Milestone
Milestones prior to May 30	Nov 2, 2017	ISO commits to review RMR and CPM
	Nov - Apr	See June 26, 2018 straw proposal for milestones
Straw proposal	May 30	Hold working group meeting
	Jun 26	Post straw proposal
	Jul 11	Hold stakeholder meeting
	Aug 3	Discuss initiative at MSC meeting
	Aug 7	Stakeholder written comments due
Revised straw proposal	Aug 27	Hold working group meeting
	Sep 19	Post revised straw proposal
	Sep 27	Hold stakeholder meeting
	Sep 28	Discuss initiative at MSC meeting
	Oct 23	Stakeholder written comments due
Second revised straw proposal	Nov 1	Hold working group meeting
	Nov 19	Post second revised straw proposal
	Nov 26	Hold stakeholder meeting
	Dec 21	Stakeholder written comments due
Draft final proposal	Jan 23, 2019	Post draft final proposal
	Jan 30	Hold stakeholder meeting
	Feb 22	Stakeholder written comments due
Final proposal	Mar 27-28	Present proposal to Board of Governors

List of Acronyms

AFRR	Annual Fixed Revenue Requirement
AS	Ancillary Services
BCR	Bid Cost Recovery
CA	California
CIRA	Customer Interface for Resource Adequacy
CPM	Capacity Procurement Mechanism
CPUC	California Public Utilities Commission
CSP	Competitive Solicitation Process
DEB	Default Energy Bid
FERC	Federal Energy Regulatory Commission
GHG	Greenhouse gas
GMC	Grid Management Charge
IOU	Investor-owned utility
ISO	California Independent System Operator Corporation
LSE	Load serving entity
MSC	Market Surveillance Committee
MSG	Multi-stage generator
MMA	Major maintenance adder
MOO	Must-offer obligation
O&M	Operation and maintenance
PGA	Participating Generator Agreement
PG&E	Pacific Gas and Electric
RA	Resource Adequacy
RAAIM	Resource Adequacy Availability Incentive Mechanism
RMR	Reliability Must-Run
ROR	Risk of retirement
RUC	Residual Unit Commitment
SCE	Southern California Edison
SDG&E	San Diego Gas and Electric
SIBR	Scheduling Infrastructure Business Rules

2. SCOPE OF INITIATIVE

Keith Johnson

Infrastructure & Regulatory Policy Manager

Scope of RMR and CPM Enhancements initiative

RMR and CPM items

- Provide notice to stakeholders of resource retirements
- Use of RMR versus CPM procurement
- Explore whether ROR CPM and RMR procurement can be merged into one mechanism

RMR items

- Develop an interim pro forma RMR agreement
- Update certain provisions of pro forma RMR agreement
- Make RMR resources subject to a MOO
- Make RMR resources subject to RAAIM
- Consider whether RMR Condition 1 and 2 options are needed
- Update rate of return for RMR compensation
- Align RMR agreement with existing RMR tariff that provides ability to designate for system & flexible needs
- Allocate flexible RA credits from RMR designations
- Streamline and automate RMR settlement process
- Lower banking costs associated with RMR invoicing

CPM items

- Change CPM pricing formula for resources that file at FERC for a CPM price above the soft-offer cap price
- Evaluate year-ahead CPM local collective deficiency procurement cost allocation to address load migration
- Evaluate if LSEs are using CPM for their primary capacity procurement

Two items have already been completed.

1. <u>Notice to market participants</u> - Of resource that plans to retire that might trigger ISO backstop procurement
   - Spreadsheet posted on ISO website on July 6, and updated as necessary
   - 100 MW threshold established for notifying stakeholders of update to spreadsheet, communicated through ISO Daily Briefing
2. <u>Interim RMR agreement</u> - Would allow ISO to terminate RMR agreement at end of contract year and re-designate same resource for service in following year
   - Filed at FERC on August 31
   - Requested FERC order on or before November 1, 2018
   - Requested effective date of September 1, 2018

3. RMR AND CPM

Keith Johnson

Infrastructure & Regulatory Policy Manager

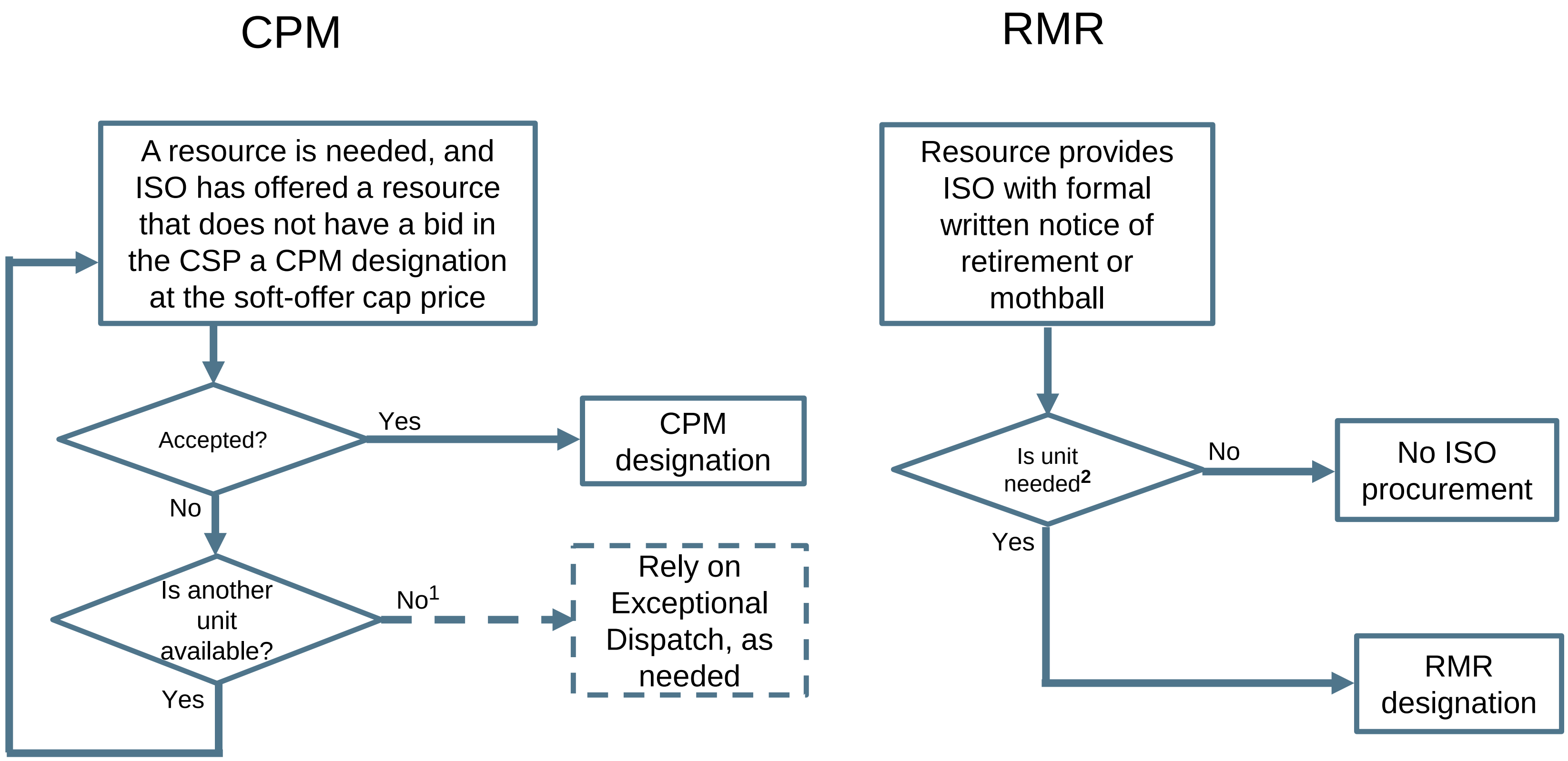
Use of RMR versus CPM

- Will keep both RMR and CPM procurement mechanisms
- CPM procurement will be used to backstop the RA program
- RMR procurement will be used to address resource retirements
- RMR procurement will be based on full cost of service, as procurement is mandatory
- CPM procurement is voluntary if a resource has not submitted a bid into CSP
- If a bid has been submitted into CSP and ISO accepts that bid, resource cannot decline CPM designation
- All RMR and CPM resources will have a MOO
- All RMR and CPM resources will be subject to RAAIM

Will merge ROR CPM and RMR into one mechanism

- All retirement procurement authority, including ROR, will be merged into one mechanism under RMR tariff
- Will move to RMR the tariff authority that is currently in ROR CPM tariff to designate a resource in year 1 for an essential reliability need in year 2 (the “bridge”)
- Change will eliminate current ROR authority under CPM tariff and put it in RMR tariff
- Length of ROR RMR procurement will be for a maximum of one year
  – ISO has changed its proposal and no longer proposes to look at need in year 3

Use of RMR procurement versus CPM procurement



[1] If the resource declines the CPM designation offered, the ISO would not offer a RMR designation. Instead, if needed, the ISO would use Exceptional Dispatch to meet reliability needs

[2] For the ISO study for a potential RMR designation, all available resources are used in the analysis

To receive an RMR designation, a resource must submit a formal retirement notice to the ISO.

- Notice must include an affidavit by an officer attesting
  - Resource will not remain in service absent procurement, and
  - Decision to retire is definite unless some other type of ISO procurement of resource occurs, resource is sold to a non-affiliated entity, or resource enters into an RA contract
- Must state planning to retire at certain date, but no earlier than 90 days from notice of termination of PGA
- Expect resource to also notify CPUC

4. CPM

Keith Johnson

Infrastructure & Regulatory Policy Manager

Currently there are three pricing options for CPM designations (and ISO is not planning to change the options).

1. Resource can submit a bid into CSP
   - If bid is selected the CPM designation offered is not voluntary
2. Resource can be paid soft-offer cap price of $75.68/kW-year if resource does not have a bid in the CSP
   - Resource can decline CPM designation offered
3. Resource can bid price higher than soft-offer cap price in CSP and can then file at FERC for approval of that price
   - If bid is selected the CPM designation offered is not voluntary

Current CPM Compensation Components

Market Revenues
Resource keeps all market revenues earned

BID

Price bid into Competitive Solicitation Process
- Price is consider "good" (safe harbor) if the price bid is below soft-offer cap price of $75.68 kW-year

Bid into CSP
(at or below $75.68 kW-year)

Market Revenues
Resource keeps all market revenues earned

20% Adder

Going Forward Fixed Costs

Which is the sum of the amounts shown below for the reference unit specified in the ISO's CPM tariff:
- Fixed O&M costs
- *Ad valorem* costs
- Insurance

Soft-Offer Cap Price
($75.68 kW-year)

Market Revenues
Resource keeps all market revenues earned

Cost of Service

Amount determined using cost of service methodology in Schedule F of Appendix G of the RMR agreement
- This methodology does not include paying for Capital Items (like major maintenance capital expenditures)

Above Soft-Offer Cap Price
(above $75.68 kW-year)

The ISO proposes to change pricing formula for a resource that files for a CPM price above the soft-offer cap price.

- Currently: Can file for cost of service compensation and keep all market revenues earned
  - Some stakeholders are concerned this existing CPM provision provides excessive compensation because market revenues earned above cost of service are not clawed back
- ISO Proposal: Resource can submit bid price above soft-offer cap price based on cost of service compensation set forth in Schedule F of RMR agreement,[1] and the actual price paid will be approved by FERC, and all market revenues earned above that price will be clawed back

[1] Schedule F does not include Capital Items

Proposed CPM Compensation Components

Market Revenues
Resource keeps all market revenues earned

BID

Price bid into Competitive Solicitation Process
- Price is consider “good” (safe harbor) if the price bid is below soft-offer cap price of $75.68 kW-year

Bid into CSP
(at or below $75.68 kW-year)

Market Revenues
Resource keeps all market revenues earned

20% Adder

Going Forward Fixed Costs

Which is the sum of the amounts shown below for the reference unit specified in the ISO’s CPM tariff:
- Fixed O&M costs
- *Ad valorem* costs
- Insurance

Soft-Offer Cap Price
($75.68 kW-year)

Market Revenues
All market revenues earned are clawed back

Cost of Service

Resource can submit bid above soft-offer cap price based on cost of service compensation set forth in Schedule F of RMR agreement,[1] and the actual price paid will be approved by FERC, and all market revenues earned above that price will be clawed back

Above Soft-Offer Cap Price
(above $75.68 kW-year)

[1] Schedule F does not include Capital Items

Price paid for a CPM designation for a resource whose bid price exceeds the soft-offer cap price (#3 below)

Type of Designation	Price used to determine Payment
System monthly System annual Local monthly Local annual Local annual collective deficiency Cumulative flexible monthly Cumulative flexible annual Significant Event Exceptional Dispatch	1. Price bid into CSP – there is a “safe harbor” price at or below the $75.68/kW-year soft-offer cap price 2. If no bid in CSP - ISO may offer resource soft-offer cap price of $75.68/kW-year (and resource can decline designation if it chooses) 3. Resource can submit bid above soft-offer cap price based on cost of service compensation set forth in Schedule F of RMR agreement,[1] and the actual price paid will be approved by FERC, and all market revenues earned above that price will be clawed back

[1] Schedule F does not include Capital Items

A designation for a price above the soft-offer cap price would be for the whole resource.

- Resource owner must bid entire resource into CSP
- When considering a CPM designation for such a resource ISO would only designate whole resource
- Rule is necessary as it would not be possible to separate out market revenues for a resource that was only partially procured under CPM and paid cost of service
  - Only way clawing back revenues can work is if the ISO designates entire resource

5. RMR

Keith Johnson

Infrastructure & Regulatory Policy Manager

The following items will be covered today under this agenda topic.

- Make subject to a MOO
- Make subject to RAAIM
- Consider whether Condition 1 and 2 options are needed
- Update rate of return
- Align agreement and tariff authority for system and flexible
- Allocate flexible RA credits
- Streamline and automate settlement process
- Lower banking costs

MAKE SUBJECT TO A MOO

Gabe Murtaugh

Senior Infrastructure & Regulatory Policy Developer

The ISO seeks to increase the alignment of the MOO, bidding rules and performance incentives for all capacity resources.

- On March 13, 2018 the ISO posted a proposal to have RMR resources subject to
  - A MOO similar to the MOO for RA resources
  - Bid insertion when not bid into market
  - RAAIM resource performance incentive mechanism, like RA and CPM resources are subject to
- Several stakeholders supported the ISO moving forward with its proposal
- Propose that RMR resources will have a 24x7 MOO, but subject to special rules like those for use-limited RA resources

Resources bidding into the market will have different bids depending on their status.

- Condition 2 resources
  - Paid full cost of service
  - Will submit cost-based bids into energy and AS markets
  - All market revenues above variable costs are clawed back
  - All RUC revenues above $0 are clawed back
  - ISO will insert cost-based bids if no bids are inserted by resource
  - May be instructed by ISO to not run
- Condition 1 resources
  - Not paid full cost of service
  - Resources will bid into market at market-based bids
  - ISO will insert cost-based bids if no bids are submitted by resource
  - May be instructed by ISO to not run

The ISO currently creates ISO-generated bids for RA and CPM resources that have not bid into the market.

- ISO-generated bids include
  - Start-up costs
  - Minimum load costs
  - Energy costs
  - MSG transition costs (registered default values)
- ISO-generated energy bids include
  - Fuel Costs
  - O&M
  - GHG Costs
  - GMC
  - Opportunity Costs
- ISO-generated AS bids are at $0/MWh
- ISO-generated RUC bids translate to $0 offers

Treatment of MMAs, opportunity costs and BCR in RMR bids

- MMAs and opportunity costs, if applicable, will be reflected in bids to ensure true cost of operation is considered in market decisions
  - Actual MMA costs will be compensated as they are incurred, similar to current RMR construct
  - Any market revenues from MMAs bid into market will be clawed back to prevent double recovery of these costs
  - Market revenues from bid opportunity costs will also be clawed back
- Resources with RMR agreements will be eligible for BCR payments when market earnings are insufficient to cover fuel costs

RMR resources will be required to bid into market at total cost, including variable, MMA and opportunity costs.

Opportunity Costs
Negotiated values that account for lost opportunities from running

Major Maintenance Adders
Negotiated values that approximate historic average maintenance costs

Variable Costs (DEB)
Calculated similar to the DEB with inputs specified in Master File data including:
- Heat rate
- Fuel Costs
- O&M
- GHG Costs
- GMC

- Variable costs are compensated through energy market revenues
- Actual costs of major maintenance are compensated for RMR resources
- Opportunity costs are not compensated

MAKE SUBJECT TO RAAIM

Keith Johnson

Infrastructure & Regulatory Policy Manager

The ISO proposes to make RMR resources subject only to the RAAIM mechanism.

- The two resource performance incentive provisions currently in pro forma agreement would no longer apply
  - Would delete Non-Performance Penalty and Long-term Planned Outage Adjustment
- Penalty price for RMR resources would be at RMR agreement price
  - Like is done for a CPM resource that is paid above the soft-offer cap price
- ISO systems provide ability for RMR resources to take outages without being subject to RAAIM penalties

The goal is to align RMR performance incentives and penalties with those that apply to RA and CPM.

- Because RA, CPM and RMR all provide capacity to operate grid, incentives and penalties should be similar
- Current RMR availability payment does not provide incentive to submit bids, and limits ability to streamline settlement process as it would require continuing to track and validate availability in separate tracking system
- Maintaining separate set of incentives and requirements would create inconsistencies, add complexity to systems and processes, and create inefficiencies in market optimization

CONSIDER WHETHER CONDITION 1 AND 2 OPTIONS ARE NEEDED

Keith Johnson

Infrastructure & Regulatory Policy Manager

The revised straw proposal considers continuing to have both Condition 1 and 2 options.

- Propose to update pro forma agreement so default would be a full cost of service agreement where resource would have all of its full cost of service paid and must credit back all market revenues earned above its full cost of service (Condition 2)

- At ISO’s discretion, in limited circumstances, resource may be able to negotiate an agreement where resource is not paid all of its full cost of service and may keep market revenues earned above its full cost of service (Condition 1)

Request feedback on whether to retain Condition 1 or simplify and provide only Condition 2.

- Design objective is to ensure resources are not incentivized to hold out from RA or CPM procurement for an RMR agreement
  - RMR designed as last resort to extend life of resources slated to retire until a new resource or transmission upgrade is available
  - Therefore, procurement is mandatory and should receive only full cost of service
- Condition 1
  - Provides possibility resource could recover more than full cost of service
  - May provide incentives to select cost recovery method that provides greatest revenue
  - May be useful to help parties reach consensus when negotiating an agreement and avoid lengthy and costly rate case
  - May be circumstances where aligns better with grid needs

UPDATE RATE OF RETURN

Gabe Murtaugh

Senior Infrastructure & Regulatory Policy Developer

Current RMR Compensation Components

The ISO is not proposing to change the major components of RMR compensation

All market revenues earned by unit are clawed back

Capital Items

AFRR

Which is the amount determined as the following difference:

- Total Annual Revenue Requirements, less
- Total Annual Variable Costs

Condition 2 RMR Unit –
Unit paid 100% of its AFRR

Market Revenues
Unit keeps all market revenues earned

Capital Items

AFRR

Which is the amount determined as the following difference:

- Total Annual Revenue Requirements, less
- Total Annual Variable Costs

Condition 1 RMR Unit –
Unit paid <100% of its AFRR

* AFRR is Annual Fixed Revenue Requirements.
* RMR agreements also include a Termination Fee that may be owed to unit under certain circumstances.
* There also is a Variable O&M Rate that is used to reimburse RMR units for variable O&M costs.

The ISO believes the rate of return should be updated.

- Current pre-tax rate of return is “hard-wired” into pro forma RMR agreement at 12.25%
- Value has not changed in many years, despite changing economic conditions and corporate tax rates
- FERC outlines a methodology for calculating utility rates of return using zones of reasonableness using a discounted cash flow model
- Post-tax rates of return used in recent RMR agreements struck outside of ISO have been at lower than pre-tax rate of return of 12.25% specified in current tariff

The ISO has suggested six potential options for updating the rate of return.

	Options
1	Leave current 12.25% rate of return in place, i.e., “no action” option
2	Determine a base rate that is allowed to float – up or down - relative to a benchmark rate
3	Have an independent expert construct a rate of return to use, which is inserted and periodically updated
4	Require market participants to propose and justify a rate of return in RMR filings
5	Use a blended rate from recent transmission projects, plus an agreed upon risk adder (or could use responsible utility’s rate of return)
6	Determine a methodology for an “in-house” calculation to determine a rate of return to use, which is periodically updated

The ISO proposes to update the rate of return based on a blend of rates received by the three CA IOUs.

- Proposed rate would replace existing 12.25% rate
- Not proposing additional changes to how rate of return is applied for RMR resources
- Rate may be updated once every four years, similar to schedule for updating CPM soft-offer cap price
- Proposed rate of return will be calculated based on following formula

(PG&E rate + SCE rate + SDG&E rate) / 3

ALIGN AGREEMENT AND TARIFF AUTHORITY FOR SYSTEM AND FLEXIBLE

Keith Johnson

Infrastructure & Regulatory Policy Manager

The ISO already has tariff authority to make RMR designations for system and flexible needs.

- Tariff provides authority through RMR to meet Applicable Reliability Criteria
  - Which includes meeting system, local and flexible needs
  - To date, authority has been implemented for local needs
- RMR pro forma agreement (versus the tariff) currently does not reflect existing system and flexible authority
- Propose to change pro forma RMR agreement so existing RMR tariff authority and language in pro forma RMR agreement are aligned

The RMR tariff currently includes ability to designate resources to meet system, local and flexible needs.

- ISO Tariff Section 41.1 – RMR procurement
  - "to ensure that the reliability of the CAISO Controlled Grid is maintained"
- ISO Tariff Section 41.2 – RMR designation
  - Based on "CAISO Controlled Grid technical analysis and studies"
- ISO Tariff Section 41.3 – Reliability studies
  - "In addition to the Local Capacity Technical Study under 40.3.1, the CAISO may perform additional technical studies, as necessary, to ensure compliance with Reliability Criteria"
  - Where: Reliability Criteria is "Pre-established criteria that are to be followed in order to maintain desired performance of the CAISO Controlled Grid under Contingency or steady state conditions."

Tariff Section 42 defines the need for adequacy of facilities to meet Applicable Reliability Criteria.

- 42.1 – Generation Planning Reserve Criteria
  - First use market forces however if not available or not enough
- 42.1.3 – ISO to take necessary steps to ensure criteria compliance
  - "Notwithstanding the foregoing, if the CAISO concludes that it may be unable to comply with the Applicable Reliability Criteria, the CAISO shall, acting in accordance with Good Utility Practice, take such steps as it considers to be necessary to ensure compliance, including the negotiation of contracts through processes other than competitive solicitations. These steps can include the negotiation of contracts for Generation or Ancillary Services on a Real-Time basis."

ALLOCATE FLEXIBLE RA CREDITS

Keith Johnson

Infrastructure & Regulatory Policy Manager

The ISO supports allocating flexible RA credits from RMR resources.

- RMR designations would not automatically qualify for flexible RA credits; to qualify RMR resource must
  - Have approved Effective Flexible Capacity value that qualifies unit as eligible to provide flexible RA capacity
  - Agree in RMR agreement to fulfill RA flexible capacity requirements
  - RMR resources eligible for flexible RA credits must submit economic bids based on assigned flexible category and may choose to self-schedule for remaining hours
- Credits would continue to be allocated as today and RMR capacity would be taken off the top of RA flexible requirement

STREAMLINE AND AUTOMATE SETTLEMENT PROCESS

Bob Kott

Operations Policy Manager

An important element of this initiative is to streamline and automate RMR.

Vision

Align RMR implementation to extent possible with ISO tariff and RA/CPM paradigm for bidding, dispatch, penalties/incentives, settlements, and payment to streamline RMR functionality for efficient market and reliability systems operation and maintenance

RMR resources would be represented in ISO systems the same way as RA and CPM resources.

- A MOO would be established for RMR resources
  - Enables use of market and reliability mechanisms to dispatch resources when needed
- RMR capacity represented in CIRA as reliability capacity
- SIBR RA/CPM bidding rules would apply
- Major maintenance/opportunity cost adders utilized as appropriate to ensure market dispatch considers appropriate costs

The RMR compensation structure would be simplified.

- Fixed costs would be recovered through monthly payments similar in structure to CPM payments
  - Would continue to use Schedule F to define costs
  - Would no longer use the hourly availability payment structure
- Monthly payments would be adjusted for performance
  - Propose to eliminate current target available hours and current two financial penalty mechanisms
  - RMR resources would be subject to RAAIM incentives/penalties and substitution requirements (like RA and CPM resources)
- Variable compensation would be covered through market mechanisms, including BCR
  - With a credit back for Condition 2 resources for market revenues above costs

Several current service provisions would be eliminated, and would update invoicing and payment processes.

- Would replace RMR invoicing template and owner submitted Excel based invoices and use ISO settlement system invoice process
  - Add line item for RMR monthly capacity payment
  - Add charge codes for excess market revenues
- Would replace RMR payment calendar/dispute process and use market settlement timeline/dispute process
- Would adjust or remove certain provisions from RMR pro forma agreement as needed
  - Availability based/service limits/excess service payments
  - Prepaid startup mechanism
  - Provisions covered through ISO tariff

Proposed Changes to RMR Agreement and Schedules

Change	Term
Revise to reflect proposal	Art-3 Conditions, Art-4 Dispatch, Art-5 Delivery, Art-6 Market Transactions, Art-8 Rates and Charges, Art-9 Statements and Payments, Sch B–Monthly Option Payment, Sch C–Variable Cost Payment, Sch D–Startup Payment
Minor adjustments to address impacts	Art-1 Definition, Art-2 Term, Art-7 Operation and Maintenance, Art-12 Covenants of the Parties, Art-13 Assignment, Art-14 Miscellaneous Provisions, Sch A–Unit Characteristics, Limitations and Owner Commitments; Sch E–Ancillary Services, Sch F-AFRR, Sch J-Notices, Sch L-Cap Items, Sch N-NDA
Eliminate/use existing ISO Tariff provisions	Article 10 Force Majeure Events, Article 11 Remedies, Sch G-Excess Service, Sch H-Fuel Oil Service, Sch I-Insurance, Sch K-Dispute Resolution, Sch M-Market Bids, Sch O-Invoicing, Sch P-Reserved Energy for Emission Limitations

LOWER BANKING COSTS

Chhanna Hasegawa

Lead Corporate and Market Accountant

The ISO proposes to use the ISO's established market clearing account to administer RMR transactions.

- Current process
  - Requires minimum of two bank accounts for each RMR agreement (more if multi-party)
  - RMR accounts have zero balances at all times since disbursements are made the same day as receipt of payments
- Proposed process
  - Going forward, all payments from and disbursements to RMR parties will be made from this account
  - RMR funds will still be tracked individually
  - Invoices/payment advices are cleared on specified due dates

There are several advantages of using the market clearing bank account.

- Reduces costs
  - By using only one bank account instead of multiple accounts (ISO pays fixed fees to maintain each RMR account)
- Minimizes potential bank fraud
  - By using only one account as opposed to multiple accounts
- Reduces administrative burden
  - Each RMR account has to be monitored, reconciled and verified
- Eliminates confusion
  - RMR participants do not have to choose from a list of bank accounts when submitting payments

6. NEXT STEPS

Jody Cross

Stakeholder Engagement & Policy Specialist

Next Steps

Date	Milestone
September 28	Discuss initiative at MSC meeting
October 23	Stakeholder written comments due
November 1	Hold working group meeting
November 19	Post second revised straw proposal
November 26	Hold stakeholder meeting

Stakeholders are encouraged to submit written comments to initiativecomments@caiso.com; use template available at following link: http://www.caiso.com/informed/Pages/StakeholderProcesses/Review_ReliabilityMust-Run_CapacityProcurementMechanism.aspx

APPENDIX

STAKEHOLDER COMMENTS

Stakeholder comments and ISO responses are provided in the revised straw proposal:
http://www.caiso.com/Documents/RevisedStrawProposal-ReliabilityMustRunandCapacityProcurementMechanismEnhancements.pdf .