

Southern California Edison's (SCE) Comments on CAISO's Ancillary Services Focus Group 1

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SCE does not support CAISO's proposal to move from testing ancillary services ("AS") to relying on attestations provided by scheduling coordinators. The effect of the proposal would be to shift the responsibility of testing ancillary services from the CAISO to market participants. AS are crucial for reliability, and the performance testing should be performed by the market operator. The proposal to have scheduling coordinators assign attestations instead of CAISO performing tests raises questions about the reasoning for CAISO's proposed shift in responsibilities and if implemented could reduce both the quantity and quality of supplied AS.

Ancillary Services Market Concerns

SCE is concerned that the proposal could lead to ancillary services pulling out of the market. This is a particular risk should the resource owner be different from the scheduling coordinator. If scheduling coordinators are required to attest for resources that are not their own, the scheduling coordinators may refuse to attest, resulting in a loss of AS resources from the market. This unintended consequence could negatively impact market efficiency and reliability.

Questions Penalties and Consequences of AS Non-Performance:

SCE seeks clarity on the consequences of failing an attestation. The proposal does not clearly indicate the consequences to a resource that attests to its capabilities but fails to perform. CAISO must clearly define the penalties and consequences for non-performance under this proposed framework. Additionally, SCE questions how penalties will be settled when the scheduling coordinator is responsible for the attestation, but the resource fails to perform.

Responsibility of Attestations:

Although SCE opposes using attestations provided by the scheduling coordinator to verify AS performance, SCE suggests that should CAISO proceed with the attestation route, the attestation responsibility should lie with the resource owner rather than the scheduling coordinator. This approach would ensure that the entity directly responsible for the performance is held accountable. The current proposal places a burden on scheduling coordinators, who may not have the ability to test the resources themselves. If the consequence for failing to perform per an attestation is non-financial (e.g., enhance testing requirements as a result of failing to perform), the attesting entity does not need to be an SC. Thus, it should be feasible to have resources owners (that are not SC's) perform the attestation.