



Independent Energy Producers Association

California ISO
250 Outcropping Way
Folsom, CA 95630

December 9, 2025

RE: Dinesh Das Gupta, PRR #1656

The Independent Energy Producers Association (IEP) writes to respectfully protest the Proposed Revision Request (PRR) #1656, “Clarifying Nature of Work for generation outages related to distribution utility limitations.” IEP is California’s oldest trade association representing the interests of independent power generators, owners, and operators, including those with hybrid and storage resources at the sub-transmission level. IEP opposes the change proposed in PRR #1656 because it inadvertently subjects generators with storage and hybrid resources to Resource Adequacy Availability Incentive Mechanism (RAAIM) penalties.

A generator at the sub-transmission level does not have control over the activities of the distribution utility and may be artificially forced into outage during high-load seasons until and unless a congestion management system (CMS) is put into place. Until a CMS system is in place, the generator with hybrid and storage resources is not allowed to charge during seasons of overall increased load under the assumption that an N-1 is taking place. Such restriction occurs even with sufficient power, “fuel”, on the system for charging—for example charging during the summer when the duck curve is at the bottom. With a CMS, a resource’s charging capability will be governed automatically to ensure that operations are curtailed in the event of an equipment failure. However, the placement of a CMS system is dependent on the distribution utility. Under this proposed PRR, a generator awaiting a CMS system will suffer RAAIM penalties for an outage labeled “ambient due to fuel insufficiency,” even though the resource could charge sufficiently and avoid an outage but for the assumption that there is a transmission outage and an N-1 event has occurred.

As such to the extent the CAISO continues to pursue this change, the proposed language should be revised as follows (highlighted changes below):

~~For resources subject to Resource Adequacy Requirements under Section 40 of the CAISO Tariff.~~ Provides notification of unavailability due to fuel availability for reasons other than those that would fall in “Ambient Not Due to Temp.” This nature of work applies in cases where storage resources and hybrid resources with a storage component are on outage due to charging limitations that are unrelated to transmission or distribution equipment outages or the assumption thereof.

This additional change would ensure that the resource does not suffer from lost revenue from a restriction on charging outside the generator’s control and a RAAIM penalty fee, meant to encourage generators to mitigate potential outages.

Additionally, With the RAAIM incentive program up for debate at the California Public Utilities Commission’s Resource Adequacy proceeding (R.25-10-003) and the CAISO’s own Resource Adequacy Modeling and Program Design initiative development of an unforced capacity mechanism (UCAP), RAAIM’s relevance might soon diminish. To ensure generators who have proactively partnered with their distribution utility to install a CMS system are not penalized, and to maintain consistent outage tracking, generators who experience outages due to limitations set by the distribution utility should not have to report an outage as “ambient due to fuel insufficiency,” subjecting them to penalties that won’t elicit behavior change. Rather, IEP respectfully requests the outage be reported as a “transmission outage.”

We appreciate your consideration of our protest, and we look forward to continued engagement.

Signed,

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