

**Brookfield Energy Marketing LP Comments on  
Consolidated EIM Initiatives from 2017 Roadmap  
Issue Paper**

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Brookfield Energy Marketing LP (BEMLP) appreciates the opportunity to provide comments on CAISO's *Consolidated EIM Initiatives from 2017 Roadmap* Issue Paper (Issue Paper), issued June 13, 2017. BEMLP supports CAISO's interest in improving upon the existing EIM structure, and we raise herein an aspect of the Issue Paper which BEMLP seeks clarification on, as well as issues BEMLP believes CAISO should consider further prior to issuing a straw proposal. BEMLP thanks CAISO in advance for consideration of these comments.

- **Third Party Transmission Contribution:**

- BEMLP seeks clarification on whether CAISO's description of third party transmission owners making available to the EIM unused transmission from the bilateral market would include all market participants with rights to transmission capacity – including transmission customers that hold transmission rights. To ensure optimal outcomes, BEMLP recommends CAISO's proposal to increase EIM transfer capacity enable any entity that holds firm transmission rights to bid transmission capacity in the EIM market under the proposed mechanism.

- **Recommended Considerations for Straw Proposal:**

- BEMLP supports the concept of expanding wheeling bid functionality to the EIM and we encourage CAISO to include in its straw proposal the ability for marketers to purchase energy from EIM generation and sink the purchased energy outside the EIM footprint. Enabling all market participants, including those with bilateral arrangements, to manage exposure to imbalance settlement should promote more efficient market outcomes.

- BEMLP also urges CAISO to consider i) addressing the misalignment of the CAISO Real-Time markets and the EIM, ii) making the first EIM deadline of T-57.5 advisory only, and iii) creating new binding deadlines for all markets (RTPD and RTD) closer to the start of the operating hour – for example: T-35 and T-20. In BEMLP’s experience, the bilateral real-time market liquidity has been affected because of the current T-57.5 deadline. EIM parties that also trade bilaterally are hesitant to transact after the T-57.5 deadline, and those that do transact after the deadline price considerable congestion risk into the bids offered in the bilateral real-time market, resulting in transactions that are infeasible. By delaying the price binding deadline currently at T-57.5 and aligning the RTD deadline with the T-20 tagging deadline, however, CAISO could reduce congestion risk between the two markets and allow EIM participants to conduct bilateral real-time trading more efficiently.
  
- Lastly, BEMLP recommends CAISO considers the ability for EIM participants and marketers to enter import bids that sink into the EIM area. CAISO indicates “there is no functionality to support an import bid that sinks into the EIM area because non-participating load does not bid into the real-time market.”<sup>1</sup> However, CAISO may be able to facilitate import bids by pairing an import bid with the curtailment of an EIM generator. In its Issue Paper CAISO suggests that a generator decremental bid can have the same effect as an import.<sup>2</sup> CAISO should therefore be able to accommodate this functionality by pairing or comparing import bids to generator bids and dispatching the most economic. In other words, CAISO could match an import bid with an EIM generator’s decremental bid, and dispatch down the EIM generator to accommodate the import. For example, an import bidding \$20/MWh could be paired with an online EIM generator which has submitted a real-time bid of \$25/MWh. In this example the import bid would be accepted and the EIM generator with the higher real-time bid would be dispatched down to allow for the import.

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<sup>1</sup> Issue Paper at pg. 8.

<sup>2</sup> Issue Paper at pg. 9.