

Comments on CAISO's February 28, 2019 2020 Draft Policy Initiatives Catalog

March 20, 2019

CDWR would like to submit the following comments:

CDWR continues to support the two items it has requested in the past:

- 6.1.49 – Aggregated Pumps and Pumped Storage

CAISO asked CDWR to pursue the real time load bidding functionality through the ESDER4 initiative (item 5.11), yet this remains a low priority for CAISO. CDWR can offer some of its pumping load to the CAISO market to help with oversupply conditions, given proper market rules to reflect their operational characteristics and limitations. CDWR asks the CAISO to consider offering similar functionality to eligible wholesale loads and wholesale demand response that it does to retail loads.

- 6.2.2 – Congestion Revenue Rights Revenue Sufficiency, CRR Allocation

CDWR has the following corrections:

- 5.1 – Day-Ahead Market Enhancements – 15-Minute Granularity (E4)

The current hourly granularity for the day-ahead market does not provide sufficient flexibility required by sharp ramps that materialize in RTM due to ever-increasing levels of renewables. This initiative will change day-ahead scheduling from hourly to 15-minutes to align with the 15-minute market. Additionally, all bids will be submitted for each 15-minute interval, with ~~no~~ some changes in deadlines or frequency for submitting bids. For inter-SC trades, trades will be submitted 45 minutes prior to each 15-minute interval (instead of 45 minutes prior to each hour).

- 6.2.2 – Congestion Revenue Rights Revenue Sufficiency
First bullet, first paragraph should be removed from the catalog or moved to section 5 because CAISO has already addressed this issue in Congestion Revenue Rights Auction Efficiency Track 1A.

Improved Requirements for Transmission Outage Submission. DC Energy proposed in a previous catalog process that this initiative be added to the catalog. According to the Outage Management Business Practice Manual, “requests for planned outages of Significant Facilities must be submitted to CAISO Outage Coordination at least 30 days

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prior to the start of the calendar month for which the outage is planned to begin”. The “30-day rule” is intended to improve the fidelity of the Monthly CRR network models, however the current construct does not include an incentive mechanism for adhering to the rule. That is, the rule is advisory only and there is no implication for schedules submitted inconsistent with the rule’s timeline. Adhering to the rule has numerous important benefits since outages on Significant Facilities significantly impact the amount of CRR network capacity offered and the resultant CRR revenue adequacy. In addition, it promotes the transparency of high impact outages, which can help rationalize CRR clearing prices and foster CRR price convergence.

- 6.2.2 – Congestion Revenue Rights Revenue Sufficiency

CRR Allocation. CDWR requested this initiative in a previous catalog process that the CAISO ~~introduce~~ revise the Counter-flow CRR methodology used for allocating CRRs sourced at the trading hubs. CDWR believes that the current methodology contributes to revenue imbalance of the CRR balancing account ~~and is counterproductive to the stated purpose for CRRs.~~